



Division of Child Care



CCAP Operations Manual



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COMMONWEALTH OF KENTUCKY
Cabinet for Health and Family Services

Department for Community Based Services
Division of Child Care

OPERATION MANUAL
Volume I

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DCC-93A	Electronic Payment Authorization Form
DCC-94	Child Care Service Agreement and Certificate
DCC-94.1	Notification of Eligibility and Certificate for Child Care Services
DCC-94A	Registered Child Care Provider Information Form
DCC-94AB	Supplement-Rate Information Form
DCC-94B	Licensed or Certified Provider Information Form
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AOC-RU-007	Youth Leader Request form
DCBS-1	Informed Consent and Release of Information and Records – <i>Procedural Instructions</i>

DPP-010	Open Records Request – <i>Procedural Instructions</i>
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Chapter 1

GENERAL ADMINISTRATION

1.1 Organizational Structure (Revised 05/01/09)

The Department of Community Based Services (DCBS), within the Cabinet for Health and Family Services (CHFS), is the lead agency designated by the Governor to implement and administer programs funded by the federal CCDF and TANF grants. These grants, as well as money from state sources, fund the Child Care Assistance Program (CCAP).

The Department for Community Based Services consists of seven (7) Divisions:

- Division of Service Regions
- Division of Protection and Permanency
- Division of Violence Prevention Resources
- Division of Family Support
- Division of Information and Quality Improvement Division of Child Care
- Division of Administration and Financial Management

The Division of Child Care (DCC) is directly responsible for the administration of the Child Care Assistance Program. DCBS, through DCC, contracts with community based child care service agents who determine eligibility for the CCAP, authorize payments, enroll non-regulated providers, and provide ongoing case management services to recipients.

1.2 Child Care Service Agents (Revised 10/01/09)

The Department for Community Based Services, Division of Child Care, contracts with entities throughout the state to perform administrative and case management functions of the Child Care Assistance Program. These agencies provide services in all of Kentucky's counties:

Audubon Area Community Services, Inc.

P.O. Box 20004
Owensboro, KY 42304-0004
Toll free: 888-686-2588
FAX: 270-686-1617

Allen	Daviess	Livingston	Ohio
Ballard	Edmonson	Logan	Simpson
Barren	Fulton	Lyon	Todd
Butler	Graves	Marshall	Trigg
Caldwell	Hancock	McLean	Union
Calloway	Hart	McCracken	Warren
Carlisle	Henderson	Metcalfe	Webster

Christian	Hickman	Monroe
Crittenden	Hopkins	Muhlenberg

Community Coordinated Child Care (4C)

1215 South Third Street
Louisville, KY 40203
Toll free: 877-316-3552
Telephone number: 502-636-1358
FAX: 502-636-1488

Breckinridge	Henry	Meade	Spencer
Bullitt	Jefferson	Nelson	Trimble
Grayson	Larue	Oldham	Washington
Hardin	Marion	Shelby	

[Child Care Council of Kentucky - Bluegrass East]

1460 Newtown Pike, STE 101A
Lexington, KY 40511
Toll free: 800-809-7076
FAX: 859-225-5435]

Adair	Green	Leslie	Powell
Bell	Harlan	Letcher	Pulaski
Breathitt	Jackson	Magoffin	Russell
Clay	Johnson	Martin	Taylor
Clinton	Knott	McCreary	Wayne
Cumberland	Knox	Owsley	Whitley
Estill	Laurel	Perry	Wolfe
Floyd	Lee	Pike	

[Child Care Council of Kentucky - Bluegrass North]

1460 Newtown Pike, STE 101A
Lexington, KY 40511
Toll free: 800-809-7076
FAX: 859-225-5435]

Bath	Carroll	Grant	Mason	Robertson
Boone	Carter	Greenup	Menifee	Rowan
Boyd	Elliott	Kenton	Montgomery	
Bracken	Fleming	Lawrence	Morgan	
Campbell	Gallatin	Lewis	Pendleton	

[Child Care Council of Kentucky - Bluegrass Central]

1460 Newtown Pike, STE 101A
Lexington, KY 40511
Toll free: 800-809-7076
FAX: 859-225-5435]

Anderson	Fayette	Lincoln	Rockcastle
Bourbon	Franklin	Madison	Scott

Boyle	Garrard	Mercer	Woodford
Casey	Harrison	Nicholas	
Clark	Jessamine	Owen	

1.3 Purpose of the Child Care Assistance Program

Kentucky's Child Care Assistance Program assists the following families to access and obtain child care:

- Low income families with a working adult which include families receiving Kinship Care and students.
- KTAP recipients who need child care while they participate in Kentucky Works activities which include employment, education, job preparation activities and job search, and other activities designed to assist the family attain self sufficiency.
- Families determined by the Division of Protection and Permanency as needing child care to alleviate safety issues in their home.
- Teen parents attending high school or GED classes.

1.4 Goals of the Child Care Assistance Program (Revised 05/01/09)

The goals of the program parallel those of the federal laws that provide funding for Kentucky's child care program. The primary funding sources for child care subsidies are the TANF and CCDF block grants. The goals of those block grants include:

- Promoting parental choice to empower working families to make their own decisions on the child care that best suits the needs of their family.
- Providing consumer education information to help parents make informed choices about child care.
- Providing child care to parents trying to achieve independence from public assistance.
- Implementing health, safety, licensing and registration standards established in state regulations.
- Assisting needy families so children can be cared for in their own homes.
- Reducing dependence of needy parents by promoting job preparation, and work.

1.5 Customer Service Standards

The Cabinet and child care service agent staff shall strive to provide customer service that meets or exceeds the following standards:

- Treat all customers with dignity, courtesy and respect.
- Greet all customers with a positive and professional attitude.
- Maintain a professional work environment.
- Respond to phone calls by the end of the business day.
- Remain positive and professional when responding to challenging phone calls or visits.
- Provide appointments convenient to customer's work schedule.
- Apprise customers waiting to be seen of the status of their appointment if not seen within forty-five (45) minutes of arrival.

- Offer fair and objective services regardless of race, color, national origin, sex, religion, age and disability.

1.6 Confidentiality

Information contained in child care case records and systems data is confidential and not to be accessed or released for any purpose unrelated to the provision of child care subsidies. As a condition of employment all service agent staff must read, sign, and adhere to the CHFS 219 Employee Privacy and Security of Protected Health, Confidential and Sensitive Information Agreement. A CHFS 219 signed by the employee, their supervisor, and appropriate second level management staff is maintained and available for review upon the request of the Cabinet.

Information contained on the CHFS 219 will be reviewed no less than annually by all service agent staff. An updated, signed, CHFS 219 Employee Privacy and Security of Protected Health, Confidential and Sensitive Information Agreement will be completed by all service agent staff in January of every year.

A facsimile of the required agreement is located on the CHFS intranet website <http://chfsnet.ky.gov/os/oats/forms.htm>

1.7 Access to Computer Data (Revised 05/01/09)

Access to data contained on KICCS, AKKO, (KAMES), KVETS (Birth Index), and KCD (Kentucky Claims Debt Management System) and other systems approved by the Cabinet is allowed by individual USER ID's and passwords. USER ID's and passwords are issued to a specific employee and are not to be released or shared with any other person.

Temporary access to an employee's work station can be obtained by contacting the supervisor of the CCAP section in the Division of Child Care at 502-564-2524.

System access is to be terminated immediately when staff leave the employment of the State or service agent. The supervisor of the CCAP section in the Division of Child Care is to be advised in writing of all staff resignations, retirements or terminations prior to or on the separation date. Division staff will ensure access to Cabinet systems is revoked.

1.8 Civil Rights

All staff working in the Child Care Assistance Program shall comply with Civil Rights laws by meeting the following requirements:

- No discrimination against any individual for reasons of age, race, sex, disability, religious creed, national origin or political belief in any aspect of program operation, including benefit determination, hearings, or any other aspect of program operation.
- Advise all applicants of their civil rights, including their right for a hearing on alleged discrimination, at application by giving them the pamphlet, "Civil Rights."
- Explain the pamphlet, "Civil Rights," if an applicant questions his rights

or he does not understand his rights.

The following attachment provides information regarding the Civil Rights brochure. Please use the most current version available on the attached web site, or by contacting the office below.

<http://chfsnet.ky.gov/os/ohrm/dem/ClientCivilRights.htm>

EEO Compliance Branch
Cabinet for Health and Family Services
Office of Human Resource Management
275 East Main, Mail Stop 5C-D
Frankfort, KY 40621
Telephone: 502-564-7770, Extension 4107
Fax: 502-564-3129

1.9 Health Insurance Portability and Accountability Act (HIPAA) (Revised 05/01/09)

All staff working in the CCAP program must ensure that office practices and procedures comply with provisions of HIPAA statutes. Following is guidance prepared by the Cabinet for Health and Family Services.

Reference: 42 USC 1320d, Public Law 104-191, Title II, Subtitle F, Administrative Simplification, Health Insurance Portability and Accountability Act of 1996

Protected health, confidential and sensitive information is information that is either protected by law or is of such personal or private nature that it is normally not treated as public record. The *Privacy and Security Agreement* at the end of the procedure briefly describes many of the major laws and regulations pertaining to confidential information. HIPAA can be accessed on the Internet at the following Web site:
<http://www.hhs.gov/ocr/hipaa>.

45 CFR Section 164.530(a) (1) requires that a covered entity designate a privacy official who is responsible for the development and implementation of the privacy policies and procedures as required by HIPAA. CHFS has designated an individual from Office of the Legal Services (OLS) in the Central Office of the Cabinet to be the HIPAA **Privacy Officer**. Questions and concerns about practices relating to the safeguarding of protected health information are to be directed to the OLS Privacy Officer at (502) 564-7900.

45 CFR Section 164.530(a) (1) also requires that a covered entity designate an official who is responsible for receiving complaints and who is able to provide additional information about HIPAA. CHFS has designated the Ombudsman's Office to act as CHFS's **Compliance Officer**. The Ombudsman's Office will be responsible for receiving complaints and for providing information concerning matters covered by privacy practices. Questions, concerns, and complaints are to be directed to the address and telephone number below.

Ombudsman's Office
Attn: HIPAA Compliance Officer
275 East Main Street (1E-B)
Frankfort, KY 40621
(502) 564-5497

1.10 Limited English Proficiency (LEP) Requirements

The Civil Rights Act of 1964 and subsequent Executive Order 13166 of August 2000 mandated that individuals with Limited English Proficiency (LEP) be provided language access to all federally funded programs and services. This includes the programs administered by the Cabinet for Health and Family Services (CHFS) - K-TAP, Medical Assistance, Food Stamps, and Child Care. These requirements not only apply to all Cabinet staff but also to any contracted vendors used by the Cabinet to provide services.

- LEP means that an individual is limited in his/her understanding of the English language either verbally or written. This lack of understanding can be a barrier to accessing programs or services.
- The Cabinet must ensure all LEP individuals have meaningful language access to all programs. Providing meaningful access includes:
 - Identifying LEP individuals and their language needs. This can be done by using the Interpretation Service Available poster, commonly known as an "I Speak" poster. The "I Speak" poster displays a message in various languages such as "Point to your language. An interpreter will be called". The "I Speak" posters are available at <http://chfsnet.ky.gov/os/ohrm/lep> Select "LEP Office Signage and Telephone Resources" to access the poster and other helpful materials.
 - Informing LEP individuals that interpreter services are available at no cost to the individual by:
 - Posting notices in appropriate languages in the local offices;
 - Using "I Speak" posters; and
 - Providing information in appropriate languages in Agency outreach materials.
 - Providing interpreter services, without unreasonable delay and at no cost to the individual. The individual cannot be asked to find and/or pay for an interpreter. There are four options for accessing interpreter services:
 - a. CHFS Language Access Section (LAS) Interpreters;
 - b. CHFS Deemed Qualified Interpreter Service;
 - c. CHFS Approved Community Based Partner Interpreters; and
 - d. Language Line Interpreter Service.

Information concerning these four options may be accessed at:
<http://chfsnet.ky.gov/os/ohrm/lep> Select "Interpretation Resources".

- Providing translated copies of essential forms and informational materials at no cost to the individual. These forms may be accessed at <http://chfsnet.ky.gov/dcbs/dcbsforms/>. If a translated version of a form is not listed on the Cabinet website, request translation of the form by sending

the Translation Request Form (access form through the LEP website) to the Division of Child Care.

- Interpreter services approved by the Cabinet (using one of the four options) must be provided to LEP individuals, if available, even if the individual wants to use an unapproved interpreter. The Cabinet approved interpreter would sit in on the interview to ensure all questions and responses are interpreted correctly. If the LEP individual chooses to use his/her own interpreter, the individual signs the form, Waiver of Interpreter Services – Limited English Proficiency (LEP). This form can be accessed from <http://chfsnet.ky.gov/os/ohrm/lep> Select “Interpretation Resources”.
- An LEP individual may select an English-speaking representative to act on his/her behalf. It is important that a qualified interpreter be used to explain the option and the significance of selecting a representative. In addition, any forms used in the selection process must be interpreted into the appropriate language of the LEP individual.
 - If the English-speaking representative is not accompanied by the LEP individual, no interpreter is needed.
 - If the English-speaking representative is accompanied by the LEP individual, a qualified interpreter, if available, must be present to monitor the interaction between the LEP individual and the representative to ensure the accuracy of the interpretation.

1.11 Interpreter Services for the Deaf or Hard of Hearing

The Department for Community Based Services is required to make reasonable accommodations to ensure all services are accessible to the disabled. Any hearing impaired person applying for program benefits, must have interpreter services made available upon request. If interpreter services cannot be provided at the time requested, arrange for program services to be provided as soon as an interpreter is available.

When interpreter services are required for the deaf or hard of hearing, do the following:

Contact the CCAP Section within the Division of Child Care at 502-564-2425 to request the forms referenced in the material below be faxed to the office where they are needed. These forms are not available in an electronic format.

At application or re-determination provide the individual with forms OPB-001-A, Your Right to Effective Communication, and OPB-001-B, Waiver of Interpreter Services. Document in the case record that forms OPB-001-A and OPB-001-B were given to the recipient. Additionally, if completed, file a copy of form OPB-001-B in the case record and provide the client with the original.

Use qualified on-site personnel if available. A qualified interpreter is an interpreter who is able to interpret effectively, accurately, and

impartially both receptively and expressively, using any necessary specialized vocabulary; or

Request interpreter assistance from a local school or social service agency; or

Contact the Kentucky Commission on the Deaf and Hard of Hearing (KCDHH) Access Center at 800-372-2907. The Access Center is a language interpreter referral service for state agencies.

Anytime an interpreter service is used, provide the individual, including a household member, performing the interpreter service with form OPB-002, Interpreter Confidentiality Assurance Form. File a copy in the case record.

Whenever possible, interpreter services involving no additional cost to the agency must be used. In situations when a service is performed by a qualified interpreter and a fee is charged, do the following:

Obtain a signed statement from the qualified interpreter which includes:

Name of interpreter;
Social Security Number;
Address; and

Amount of fee. (See chart below.) This hourly rate includes time spent in travel, time spent interpreting and mealtime, with the exception of mileage. Mileage is paid at the state rate. Additionally, mealtime cannot exceed one (1) hour. Interpreters shall also be paid for at least two (2) hours of service which can include waiting time due to delays in appointments and when an individual does not appear for the appointment; and

Suggested fee schedule for individuals with the following certificates:

CSC, CT and CI, RSC, CDI-P, SC:PA, OIC:C, NAD Level V -- \$25 an hour.

CI or CT, IC/TC, NAD Level IV --- \$25 an hour.

IC or TC --- \$20 an hour.

OIC:S/V, OIC:V/S, NAD Level III --- \$20 an hour.

Non-certified interpreters (including NAD Level II and I) \$10 an hour.

Complete form OPB-003, Certification of Interpreter Services provided, after service is rendered, including the above information and mail to:

Office of Fiscal Services
Payables Branch
275 East Main Street, 4E-A
Frankfort, KY 40621
502-564-0298, EXT 4408

1.12 Relative/Acquaintance Case Processing

A worker does not take an application, and the supervisor does not assign a case to a worker, if the recipient is related to or is a close acquaintance of the worker, including family members related by birth or marriage. The worker is responsible for advising the supervisor if the applicant is a relative or close acquaintance.

Only Supervisors or designated persons are to accept and process applications filed by an employee of the service agent or relatives or close acquaintances of service agent employees.

Supervisory staff does not take an application, if the recipient is related to or is a close acquaintance of the supervisor, including family members related by birth or marriage. The supervisor is responsible for advising management if the applicant is a relative, or close acquaintance and arrangement will be made for the application to be taken and confidentially maintained.

1.13 Timeliness Standards

All references to days in manual material and procedural instructions mean calendar days unless explicitly stated otherwise. If a ten (10) day time frame falls on a weekend or holiday, the tenth (10th) day is extended to the next work day.

Example: An applicant is given a DCC-90F Notice of Appointment/Request for Information requesting that wage information be provided in a ten (10) day time frame. The tenth (10th) day falls on a Sunday. The applicant is given until the following Monday to provide the requested information.

1.14 Client Case Records (Revised 05/01/09)

The case record is the official document of the Cabinet for Health and Family Services (CHFS) establishing accountability for the expenditure of state and federal funds.

- Each case record contains pertinent facts about each applicant and recipient. Information includes date of application, date and basis of disposition, facts essential to determination of initial and continuing eligibility, need for, and provision of assistance, and basis for discontinuing assistance. Discontinued case records are retained for five (5) years to provide accountability for expenditure of funds and for informational purposes unless there is a fraud claim. All case records involving a fraud claim are kept indefinitely.
- Active case records are readily accessible to staff at all times and are recognized as the official documents of the Cabinet for Health and Family Services, establishing accountability for the expenditure of state and federal funds. Active case records are:
 - Opened one at a time except for comparative study;
 - Purged of obsolete material, such as duplicate copies;
 - Arranged in proper order;

- Never stored in desks;
- Returned to locked file cabinets or storage area in a timely basis.

1.15 Client Review of Case Record

The case record may be reviewed upon request by the applicant or client of the Child Care Assistance Program. The case can also be reviewed by other parties with written authorization from the applicant or client.

The applicant or client may review any part of the case record except confidential information from someone other than the client, such as child protective services investigation information, and items verified through a system match such as birth verification using KVETS or information verified using AKKO.

Inspection of a case record is conducted in the local office and care must be taken by the service agent to ensure that no part of the record is lost. If requested, copies of parts of the record pertinent to the issue(s) of the service appeal or complaint are provided to the applicant or client or his/her representative.

All efforts shall be made to give the client or applicant access to his or her case record on the date that access is requested or no later than one (1) business day from the date of the request.

1.16 Subpoenaed Information

Never provide case record information as testimony in court without a court order or subpoena, except when:

- Court action involves an appeal of a DCBS/designee decision to circuit court; or
- DCBS/designee is the initiator of court action, including but not limited to fraud or unsuitable home actions initiated by Protection and Permanency.

If a subpoena requests a court appearance by an employee for an action unrelated to the administration of the DCBS/designee's programs, the employee must obey the subpoena by appearing in court with the case record as directed.

The following are the types of requests encountered most often by DCBS/designee and the response required:

REGULAR SUBPOENA. These are often signed by clerks and are simply requests to appear in court. Failure to appear in court at the designated date and time will cause the agency to be held in contempt. The service agent staff must obey the subpoena and appear in court, with the requested information.

GRAND JURY SUBPOENA. Although these are not court orders and a judge is not present at the proceeding, information may be released to the grand jury or prosecuting attorney. Failure to provide information will cause DCBS/designee to be held in contempt. All information, requested by and provided to the grand jury, is confidential. NO aspect of the case is to be discussed with anyone.

Do not release information to attorneys, absent parents, etc., who appear in the local service agent office with a subpoena. This does NOT apply to attorney acting on behalf of DCBS/designee, such as a county attorney involved in child support activities.

If the subpoena is presented in the local office for release of information in a setting other than a courtroom or in the presence of a judge, contact the Division of Child Care Office, CCAP Section at 502-564-2524 to obtain further instructions on how to proceed.

1.17 Case Record Content (Revised 05/01/09)

All case records represent a continuing documentation of eligibility for child care assistance. The case record contains sufficient material to substantiate the validity of all authorized assistance.

All information received by mail or provided in person is to be date stamped or annotated as to the date of receipt.

The child care case record contains the following material as appropriate to the case situation:

- **DCBS-1** Informed Consent & Release of Information and Records
- **DCC-85** Approval for Child Care Assistance
- **DCC-85A** K-TAP Approval for Child Care Assistance
- **DCC-90** Application for Subsidized Child Care Assistance Program
- **DCC-90.1** Intent to Apply for Child Care Assistance, if completed
- **DCC-91** Client Rights and Responsibilities Sheet
- **DCC-94** Child Care Service Agreement and Certificate
- **DCC-94.1** Notification of Eligibility and Certificate for Child Care Services
- **DCC-98** Repayment Agreement
- **DCC-105** Notice of Adverse Action
- **DCC-105A** Notice of Client Eligibility
- Case Comments

The child care case records of a low income working family determined eligible by the child care service agent shall contain the following:

- Copy of social security cards for all household members – **Optional**
- Birth verification for all children receiving benefits
- Proof of identification of person applying for assistance – Driver's License, Student ID, Military ID, State Issued ID, or two other forms to verify
- Proof of residence is verified by completion of the DCC-90C Residence – Household Verification form or a similar statement (lease or written statement from someone who knows the client) from a collateral contact familiar with the family's living situation. This form may be completed by someone living **inside** the home of the applicant as long as that person is the landlord and is not included in the applicant's household size. This could include a client living with and paying rent to a parent.
- Proof of citizenship or legally admitted status, if questionable, for a child
- Proof of income
- Statement of a health professional regarding need for child care for children thirteen (13) years or older.
- Proof of current immunization certificate if children are cared for by a registered provider and not enrolled in school.

Service agent staff shall maintain the case information for five (5) years after the termination of services.

1.18 Case Documentation (Revised 05/01/09)

Documentation in the family's case record must provide adequate information regarding eligibility and the plan of care. The reason care is needed and income information must be indicated on the DCC-90. Supporting information should be documented in the case record.

Information from the application does not have to be repeated in the case narrative; however, the circumstances which create the need for care must be fully described in the narrative unless the required information is recorded on other forms in the case record, such as the DCC-90, DCC-85, or DCC-85A or on the DCC-94.

The narrative tells the story of what is happening to the client and records the initial office visit and application, subsequent redeterminations, and change reports from all sources. The date the information was received and the initials of the person entering the information must also be included. Narrative documentation is updated as needed.

The following must be documented in comments on KICCS:

- First line-date-Is this case a DCBS Approval case? - Type of action-backdated to what date and why?-DCC-90.1, Intent to Apply for Child Care Assistance or Authorization, re-instatement, etc.
- Are ID and SS numbers verified? If so how? If not, were pseudo numbers assigned for any household member?
- Are dates of birth verified? If so how?
- Is verification of immunization required? If so was this verified or requested?
- Is HH composition and residency verified? Are there any ineligible members on the case? If so why are they ineligible? **Ex: ineligible aliens**
- Is there an authorized representative on the case? If authorized representative is applying how was their ID verified?
- Does client have any earned income/self employment? If yes, how was income verified? What months were used to calculate income? Was any portion of verified income not counted? **Ex: sporadic overtime; check not representative of ongoing income due to illness.** Why?
- Does client have any unearned income? If yes, what type, how much, was verification provided/requested?
- Is there any excluded income for the HH? If so, what type?
- Is the client a student? If yes, how verified? Does the student have education income? If so, was verification provided/requested? How much is the deduction? How was deduction verified?
- Were client's rights and responsibilities explained?
- What is the outcome of the case? Is case approved, pending denied, or discontinued? If case is pending, why and what verification was requested from client? If case is denied or discontinued, explain why. What certification period assigned to case?
- Document any unusual circumstances, and Case Change Dates
- Last line – worker name

1.19 Purging Records (Revised 04/01/09)

A. Purging of Client Records

Material not directly related to eligibility or benefit authorization is not retained. To assure records contain only relevant material, case records are purged of all outdated material during the redetermination process.

DO NOT PURGE cases involving fraud or claims unless the claim is paid-in-full for three (3) years. If the claim has been paid-in-full for three (3) years and has been kept for five (5) years and is not involved in an audit, the case record can be purged. If the paid-in-full claim is involved in an audit, do not purge the case record until the audit is completed. Cases containing a claim must be clearly marked with a red X and "**Claim DO NOT PURGE**" written on the folder.

Purge the following from the case record by burning or shredding:

- Material which is older than five (5) years except claims-related material. **DO NOT PURGE** fraud claims records or any case file records which substantiate fraud. This includes documents such as, but not limited to, signed repayment agreements, court determinations, or hearing decisions.
- Irrelevant material.

B. Purging of Provider Records

Provider records shall be retained for no less than three (3) years.

DO NOT PURGE provider records involving fraud or claims unless the claim has been paid-in-full for three (3) years. If the provider record is involved in an audit, the case record cannot be purged until the audit has been completed. Provider records being retained as part of a claim must be clearly marked with a red X and "**Claim DO NOT PURGE**" written on the folder.

1.20 Transfer of Cases

The Service Agent shall, upon request by another Service Agent, transfer hard copy case records to other regions in the state. The original file is mailed and a copy of the DCC-90H Case Transfer of Case Record or Material kept on file in the original county of eligibility. The Service Agent in the county from which the case is transferred shall send the DCC-90H to the service area or county who will assume case responsibility or vice versa. Verbal requests may be made, but a hard copy request is to follow within ten (10) working days.

A copy of the DCC-90H shall be maintained by the referring agency, in an administrative file, for a minimum of three (3) years. A copy of the entire case record is not maintained by the sending county.

1.21 GLOSSARY (Revised 05/01/09)

Anticipated Income – Money reasonably expected to be received in the future, e.g. wages, social security benefits, child support, etc.

Authorized Representative - A person designated in a written statement or on a DCC-91C Authorized Representative form by an individual, to act on behalf of the household in completing application/re-determination for CCAP benefits. The designation in writing is waived, if the individual is physically or mentally unable to provide a written statement. The representative is allowed to complete and sign all necessary forms.

Certificate – Notice provided by the Cabinet or its designee and used by a family to secure child care from a licensed, certified, or registered provider of choice.

Certified Family Child-Care Home – A private home, certified by the Division of Regulated Child Care, which provides full-day or part-day care, day or night, for six (6) or fewer children who are not related to the provider. The children, nieces, nephews, grandchildren, or children in legal custody of the provider may also be cared for, but at no time is the certified provider permitted to have more than ten (10) children in care.

Child – A person under nineteen (19) years of age. Eligibility for CCAP is limited to a child under age thirteen (13) unless certain physical or mental disabilities exist, the child is under court supervision, or included in a protective/preventive child care services DCC-85 case.

Child Care Assistance Program (CCAP) – Kentucky's child care subsidy program providing families, who meet the eligibility requirements of 922 KAR 2:160, with the financial resources to find and afford quality child care.

Child Care and Development Fund (CCDF) – The child care programs conducted under the provisions of the Child Care and Development Block Grant Act, as amended. The Fund consists of Discretionary Funds authorized under section 658B of the amended ACT, and Mandatory and Matching Funds appropriated under section 418 of the Social Security Act.

Child Care Resource & Referral (CCR&R) – A community-based agency that delivers coordinated services to help families access early care and education and school-age child care options. A CCR&R works to improve the quality of child care through a variety of services to providers, employers and the community.

Child Prevention – Cases registered for a service that involve a child who has been assessed by Protection and Permanency staff to be at risk of being abused, neglected, dependent or exploited. Family must have a Family in Need of Services Assessment (FINSA) completed by Protection and Permanency.

Child Protection - Cases registered for a service in which the Protection and Permanency case file contains appropriate documentation that substantiates child abuse, neglect, dependency or exploitation. This category may, with appropriate supervisory approval, include child care services to prevent abuse, neglect, dependency or exploitation.

Civil Monetary Penalties - Issued by the Division of Regulated Child Care (DRCC) as a result of a child care licensee's failure to meet state regulatory requirements. The penalty is based upon the gravity of the occurrence, the number and type of previous violations, the reasonable diligence exercised by the child-care center and efforts to

correct the violation and the amount of assessment necessary to assure immediate and continued compliance.

Co-payment – The amount a family receiving child care assistance is required to contribute toward the cost of care, determined on a sliding scale that is based on income and family size.

Director – Individual responsible for the day-to-day operation of a licensed or certified facility for the care of children.

Division of Child Care (DCC) – The Division of Child Care is the entity within the Cabinet for Health and Family Services that administers the CCAP.

Division of Regulated Child Care (DRCC) – A Division within the Office of the Inspector General (OIG) responsible for licensure of Type I center-based child care facilities and Type II home based child care facilities and certification of family child-care homes.

Earned Income - Money derived from direct involvement in a work-related activity (e.g., wages, self-employment, etc.).

Employment – Public or private, permanent or temporary work for an average of twenty (20) hours per week.

Excluded Income - An amount received but not counted in determining eligibility or the amount of the family's co-payment, if required.

Family – An applicant and a child who are related, reside in the same residence, and another responsible adult if present.

Family in Need of Service Assessment (FINSa) – A process of collecting information and evaluating risk factors in order to determine strengths and needs of a family. These assessments are completed by Protection and Permanency staff.

Fraudulent Activity – An individual's, including child care providers, deliberate, untimely reporting of changes or misrepresentation of a known technical or financial eligibility requirement that is established by a court of law and results in an overpayment of CCAP funds.

Full-Day – Child Care that is provided for five (5) hours or more per day.

General Education Development Certificate (GED) - A certificate earned by an individual who has passed an examination which indicates that the individual possesses the basic skills equivalent to those of a high school graduate.

Income - The money received from statutory benefits, wages, self-employment, rental property, investments, business operations, etc.

Income Eligible - A family at or below income guidelines established for the CCAP.

Infant – A child who is less than one (1) year old.

In loco parentis – A person acting in place of a parent, including a legal guardian, an individual related by blood, marriage, or adoption of child or a non-relative, if the non-relative shows verification of pursuit of legal custody with one (1) year of application.

Kentucky Integrated Child Care System (KICCS) – A web based software program, which supports the operation of the Child Care Assistance Program, the certification program, and child care licensing administered by the Cabinet for Health and Family Services (CHFS).

Kentucky Transitional Assistance Program (K-TAP) – “TANF” money payment program established in 921 KAR Chapter 2.

Kentucky Works Program (KWP) - An employment and training program which assists K-TAP recipients to gain self-support.

Kinship Care Program - A payment program for children placed with an approved relative as an alternative to foster care.

Licensed Child Care Facility - A Type I or Type II child care facility, regulated by the Cabinet for Health and Family Services, Office of the Inspector General, Division of Regulated Child Care.

Non-Traditional Hours – Child care is routinely provided between the hours of 6:00 PM and 6:00 AM, including the weekend from Friday 6:00 PM through Monday 6:00 AM.

Non-Urban County – Means a county without a first (1st), second (2nd) or third (3rd) class city in KRS 81.010(1) through (3).

Parent – A parent by blood, marriage, or adoption and also means a legal guardian, or other person standing in loco parentis.

Part-Day – Child care that is provided for less than five (5) hours per day.

Physical or Mental Disability or Incapacity - The diagnosis (by a physician, physician’s assistant, advanced registered nurse practitioner, qualified mental health professional as defined by KRS 600.020(48), or a registered nurse as defined by KRS 314.011(5) under the supervision of a physician) that a child under the age of nineteen (19) has multiple or severe problems that prevent the child from caring for himself or herself for any part of the day or that one parent of a two (2) parent family is unable to care for their children while the other parent works or attends school or a training program.

Pre-School Child - A child, who has reached the third (3rd) birthday up to, but not including, the sixth (6th) birthday.

Provider – The entity providing child care services.

Registration - The process by which unregulated providers become eligible to be paid for providing child care services for a CCAP eligible family by completing the application packet for provider registration and obtaining approval by the Division of Child Care or its designee.

Registered Provider – A child care provider who meets the requirements of 922 KAR 2:180.

Retirement, Survivors, and Disability Insurance (RSDI) - The Social Security benefit payable under Title II of the Social Security Act to retirees, survivors or disabled individuals.

School Age Child – A child who has reached the sixth (6th) birthday.

Self-Employment - Earnings directly from an individual's trade or business from which no taxes are withheld prior to being paid to the individual.

Service Agent – An agency under contract with the Cabinet for Health and Families Services (CHFS) to administer the Child Care Assistance Program (CCAP).

Special Needs Child – A child who has a severe problem or multiple problems that require ongoing specialized care.

Special Needs Adult – An adult who is disabled and unable to work.

Supplemental Security Income (SSI) - The federal program of money payments to aged, blind and disabled persons under Title XVI of the Social Security Act as amended.

Temporary Assistance for Needy Families (TANF) – This is a federal funding source for financial aid and support services including child care for families attempting to gain self-sufficiency.

Teen Parent – Parent who is age nineteen (19) or younger.

Term – Educational session that includes but is not limited to: semester, quarter, intercession, or summer school.

Timely Report - The report of changes within ten (10) calendar days of the day the change becomes known to the individual.

Toddler – A child, who has reached the first (1st) birthday up to, but not including, the third (3rd) birthday.

Type I Child Day Care Facility - A Type I child-care center is a child-care center licensed to regularly provide child care services for four (4) or more children in a nonresidential setting, or thirteen (13) or more children in a designated space separate from the primary residence of a licensee.

Type II Child Care Center – A Type II Child Care center is located in the primary residence of the licensee where care is regularly provided for seven (7), but not more than twelve (12) children, including children related to the licensee.

Unearned Income - Money received which does not involve direct physical or mental activity by the individual (e.g., social security, child support).

Urban County - Defined as a county listed in KRS 81.010(1) through (3) as having a first (1st), second (2nd), or third (3rd) class city.

Chapter 2

APPLICATIONS

2.1 General Procedures for Applications/Reapplications (Revised 06/01/09)

These general policies apply to applications for child care assistance by low income working families. Procedures for handling approvals for child care that are generated by Department for Community Based Services staff via the DCC-85 or DCC-85A process are outlined in Chapter 3 DCBS Approvals.

No individual is refused the opportunity to apply. Conditions of eligibility or agency procedures do not preclude the opportunity for an individual to apply and obtain a determination of eligibility or ineligibility. **Workers must be available to take an application on a walk-in basis on Monday-Friday from 8:00 a.m. to 4:30 p.m. No applicant shall be denied the right to be seen on the date they arrive at the local office.** The applicant may be assisted by any individual in the application process, and may be accompanied by this individual in all contacts with the agency.

Individuals inquiring as to eligibility requirements by telephone are advised to complete an application in the county where they live, as soon as possible.

The individual may preserve the filing date of application by completing and mailing a DCC-90.1 Intent to Apply for Child Care Assistance to the service agent. The date of application for a mailed DCC-90.1 is the day it is received by the service agent.

For an inquiry not resulting in an application, complete the form DCC-90E CCAP Inquiry, according to procedural instructions.

If the individual is PHYSICALLY UNABLE to come to the office to make application:

- Make a home visit to complete the application process; or
- Allow the household the option of designating a representative to complete the application process. The representative is designated in writing by the individual, unless the individual is physically or mentally unable to complete a written statement or on the DCC-91C Authorized Representative form.
- If the physically impaired individual, including a disabled, blind and hearing impaired individual, has no friend or relative to help with the application process and interview, refer that individual to county and community resources.

If the individual is physically or mentally disabled or is elderly, provide consideration to any special needs the individual may have no matter where the interview is conducted. Special needs may include, but are not limited to:

- Interpreter services for hearing impaired individuals. Refer to Chapter 1, General Administration, Section 1.11, Interpreter Services for the Deaf or Hard of Hearing
- Additional space for the interview to accommodate an individual in a wheelchair; or
- Scheduling appointments at a time which corresponds to the use of special transportation services.

If the individual is non-English speaking, and needs assistance in obtaining interpreter services, the State may provide for these services. Refer to Chapter One, General Administration, Section 1.10, Limited English Proficiency (LEP) Requirements.

If the individual is seen by the worker but cannot stay to complete the full on-line application, the worker can complete the Intent to Apply on-line for the client to sign. If the individual cannot stay to see a worker, the client may complete the hard copy form DCC-90.1. The worker will transfer the information from the hard copy application to the online system within three (3) business days. When the intent to apply process is initiated to preserve the filing date the worker schedules an appointment within fourteen (14) days using form DCC-90F Notice of Appointment/Request for Information to complete the application process.

The date of application is:

- the date the individual comes in the office and completes and signs the intent to apply by submitting a hardcopy form DCC-90.1 or seeing a worker who initiates the intent to apply on-line.
- a signed hardcopy form DCC-90.1 is received in the office of the service agent; or
- the date of contact with the Agency by a physically impaired individual who needs special assistance due to the impairment.

The application is completed in the county of residence if the individual applies in the county of residence.

When the applicant lives in a county other than the one in which he/she is applying, the case is transferred electronically at the end of the Intent to Apply process. When the user clicks the Transfer button, the case is automatically transferred to the county in which the applicant lives. The case appears in the work basket of the local supervisor who is responsible for assigning the case to an appropriate worker within two (2) working days of receipt of the application.

- The worker completes the Intent to Apply process online to protect the filing date and transfers it to the work basket of the supervisor where the client lives;
- The worker explains to the individual that the application will be processed, if still pending, and maintained in the county of residence;
- The worker transfers the hardcopy case file using form DCC-90H Case Transfer to the county of residence;
- The child care office in the county of residence schedules an interview using the DCC-90F to complete the application process and requests any needed

information. The pending application is processed using the original application date.

2.2 Content of the Interview (Revised 06/01/09)

During the application interview, service agent staff ask the individual each question from the application and discuss any responses, which need clarification or are inconsistent. At a minimum, the following items are covered:

- View and copy documentation of birth dates for children for whom benefits are requested. Birthdates of children born in Kentucky can be verified by the Birth Index File search.
- View and copy proof of identity of the applicant.
- Request, but not require, social security numbers for all members.
- If the citizenship of a child cannot be established by birth verification obtain proof of citizenship or legal status.
- Establish and verify residence and household composition by completion of the DCC-90C Residence – Household Verification form or a similar statement (lease or written statement from someone who knows the client) from a collateral contact familiar with the family's living situation, who is not a member of the child care case.
- If a child is age thirteen (13) or older and care is requested, proof is needed of the child's inability to care for himself (court order, physician's statement, or a statement from a qualified mental health professional as defined by KRS 600.020(48)).
- Collect current documentation of immunization for children requesting care, if needed.
- All sources and amounts of income are declared and verified.
- All allowed deductions from income are verified.
- Remind the applicant/recipient that all changes in circumstance must be reported within ten (10) calendar days of the date of change, as well as any changes which occur prior to processing the application. Review form DCC-91 Client Rights and Responsibilities Sheet and have the client sign and date.
- Explain policy relating to overpayments. See Chapter 15, Section 15.3, Overpayments
 - Determine if there is an outstanding claim. See Chapter 15, Section 15.5, Categories of Claims
 - Discuss with the applicant/recipient repayment of any claim.

If the applicant needs assistance locating or choosing a child care provider, provide resource or referral information per local protocol. Provide the client with a DCC- 112 Selecting Quality Child Care for My Child.

The applicant is responsible for providing all verification needed to complete the application. If items are not available at the interview, the worker requests them in writing using the DCC-90F.

2.3 Case Action on Applications (Revised 04/01/09)

Approve the application if all technical and financial eligibility factors are met and eligibility is unquestioned. A DCC-105A Notice of Client Eligibility is sent on all

approved applications. Approved applications are provided a DCC-94.1 Notification of Eligibility and Certificate for Child Care Services. Copies are filed in the case record.

For a reapplication due to an erroneous denial:

- If a worker has determined that a case was denied inappropriately they should contact their supervisor.
- The supervisor provides the case name and number to the Help Desk and requests that the Denial, Discontinuance or Withdrawal (DDW) date be removed. This will void the denial of the case.
- Upon notification from the Help Desk that the DDW date has been removed the worker should complete action to approve the case.

The application is denied on the thirtieth (30th) day if:

- All technical and financial eligibility factors are not met or unquestioned eligibility is not established; or
- Eligibility cannot be established due to the applicant's failure to present necessary information requested by the DCC-90F or to clarify inconsistencies.

2.4 Standard of Promptness for Applications (Revised 06/01/09)

When verification is received on an application, the information is to be entered on KICCS within three (3) days of receipt of verification. Process cases no later than thirty (30) days from the date of the application. The first day of the thirty (30) day period begins the day after the date of application and ends at close of business of the thirtieth (30th) day following the date of application. If this day is on a weekend or holiday, the thirtieth (30th) day is the next work day.

If the application is processed within the standard of promptness and the individual is ongoing ineligible as of the day of processing:

- Deny the application
- Issue DCC-105 Notice of Adverse Action to applicant
- DO NOT issue payments to a child care provider.

2.5 Eligibility Periods (Revised 12/01/08)

The child care worker has thirty (30) calendar days from the date the application is signed to determine eligibility for low income working families. If the application is approved for benefits, the determination is valid for twelve (12) months. The twelve (12) month period begins on the date of application and is valid until twelve (12) months later.

EXAMPLE: If a parent or responsible adult apply for child care services on 6-17-2007, and the application is approved on June 30, 2007 for child care benefits, the eligibility period is **6-17-2007 through 6-16-2008**.

DCBS staff determine the eligibility period for cases approved by the DCC-85 or DCC-85A process. See Chapter 3, DCBS Approvals Section 3.2, Completion and Routing of DCBS Approvals

If future changes are known at the time of approval that may affect eligibility or need for care, the case is flagged for action by service agent staff by entering a case change date and documenting the need for the change.

EXAMPLE: The family approved in June will need care for a school aged child over Christmas break. A case change date is entered to review the need for care in December.

2.6 Eligibility Types (Revised 06/01/09)

Eligibility for child care services is determined by the service agent staff for the following family types:

- **CCIE:** Low income families with working adults
- **CCTK:** Former K-TAP recipients who are employed

Eligibility for child care services is determined by the DCBS worker using the DCC-85 or DCC -85A for the following family types:

- **CCP:** A family where abuse, neglect, or dependency is substantiated. These are Child Protective Services (CPS) cases.
- **CCP:** A family in need of child care to prevent the need for Child Protective Services or to prevent the escalation of a case opened based on a Family in Need of Services Assessment (FINSA)
- **TANF:** A K-TAP family with a member(s) who is working.
- **TCCN:** A K-TAP family with a member(s) who is a Kentucky Works participant and not working.

2.7 Required Forms for Approval Actions (Revised 07/01/09)

The following forms, appropriately completed and signed, are required in the case record of applications approved by service agent staff for low income working families:

- DCC-90 Application for Subsidized Child Care Assistance
- DCC-90.1 Intent to Apply, if completed
- DCC-91 Client Rights and Responsibilities Sheet
- DCC-94.1 Notification of Eligibility and Certificate for Child Care Services
- DCC-105A Notice of Client Eligibility
- DCC-202 Case File Checklist CCIE

The following verification is needed in the case record of an application approved by service agent staff:

- Proof of identity for the applicant.
- Proof of age for children approved for child care assistance
- Proof of citizenship or alien status if not established by birth verification
- Proof of residence and household composition is verified by completion of the DCC-90C Residence – Household Verification form or a similar statement (lease or written statement from someone who knows the client) from a collateral

contact familiar with the family's living situation, who is not a member of the child care case.

- Proof of social security numbers (optional)
- Proof of all household income and allowed deductions
- Proof of required work hours if practicum, student teaching, or internship is qualifying activity
- Proof of special need, if care is approved for a child who is age thirteen (13) but under age nineteen (19) – (court order, physician's statement or a statement from a qualified mental health professional as defined by KRS 600.020(48).
- Proof of current immunization, if needed
- Proof of inability to care for a child, if responsible adult is present and not working

The following forms are needed to document enrollment of a child with a child care provider:

- DCC-94 Child Care Service Agreement and Certificate signed by the service agent staff, client, and provider.
- If information was needed from the client to complete the processing of their application, a copy of the DCC-90F Notice of Appointment/Request for Information documenting the request is filed in the case record.

2.8 Required Forms for Denial Actions (Revised 06/01/09)

The following forms are required in the case file for applications for low income working families denied by service agent staff:

- DCC-90.1 Intent to Apply for Child Care Assistance, if completed, or
- DCC-90 Application for Subsidized Child Care Assistance
- DCC-105 Notice of Adverse Action
- DCC-202 Case File Checklist CCIE

If the reason for denial was due to failure to complete an interview or provide information needed to make an eligibility determination a:

- DCC-90F Notice of Appointment/Request for Information

If the reason for denial is due to excess income or failure to meet technical requirements, verification used to make this determination is included in the case file.

2.9 General Use of Forms (Revised 04/01/09)

All forms shall be used in the manner prescribed by policy and in accordance with the procedural instructions for each particular form. Service agent staff are to insure that they are familiar with the policies and procedures for all forms they use and insure that they have and are using the most current and up-to-date version of any forms used in determining eligibility, documenting work, and making internal or external requests.

The contents of forms given to an applicant for providing verification or for signature are not to be altered by service agent staff prior to giving the form to the applicant;

though small notations may be made to indicate specific information needed, or to generally assist the applicant or the individual completing the form.

Do not write on, make notations on, or alter in any form or fashion any verification or forms once it has been provided by or signed by the applicant.

Any additional information should be detailed in case comments and can be noted on a separate paper and attached to the original form.

Chapter 3

DCBS Approvals

3.1 Overview of DCBS Approvals – (Revised 06/01/09)

DCBS field staff are divided into nine (9) service regions. A Service Region Administrator is responsible for all the staff within a service region who determine eligibility for K-TAP and provide protection and permanency services to families. The Service Region Administrators report to the Director of Service Regions located in the central office in Frankfort. DCBS workers providing direct services to families do not report to the Divisions of Child Care, Family Support, or Protection and Permanency. Field staff are managed and supervised by the Director of Service Regions.

The listing of the Service Region Areas, counties, Service Region Area Administrators and their assistants is located at <http://chfsnet.ky.gov/dcbs/ServiceRegions>.

Eligibility for child care services is determined by workers within the Department for Community Based Services (DCBS) for the following family situations:

- Families who receive K-TAP and contain an adult who works or is otherwise required to participate in the Kentucky Works Program (KWP).
- Families who receive preventive or child protective services and require child care as a part of the service plan to maintain the safety of a child.

The DCBS worker determines if child care is needed and approves the service by completing the DCC-85 Approval for Child Care Assistance or DCC-85A K-TAP Approval for Child Care Assistance form.

A recipient approved by the DCBS worker for child care services is not required to complete an application interview or provide additional copies of documentation maintained by DCBS of eligibility factors to the child care staff.

The DCBS worker is responsible for notifying the child care service agent staff of changes reported to the agency that impact child care services. These changes include, but are not limited to:

- Removal of a child from a home
- Beginning or ending a job
- Address changes
- Child care provider changes
- Income changes
- Discontinuance or closure of a K-TAP or CPS or FINSA case
- Changes in household composition

The DCC-87 Change Report for Child Assistance can be used to report changes.

The DCBS worker is responsible for:

- Determining initial eligibility for child care for K-TAP or P&P clients, completing and routing a DCC-85 or DCC-85A within ten (10) days of approval to the appropriate child care service agent staff. If not received within ninety (90) days of care start date, no payment will be made.
- Providing the client with page three (3) of the DCC-85 or a copy of the DCC-85A confirming eligibility for child care services.
- Providing the client with a DCC-112 Selecting Quality Child Care for My Child.
- Determining continuing eligibility for K-TAP or P & P clients when advised by the service agent staff that a re-determination is due. Completing and routing a DCC-85 or DCC-85A if the recipient remains eligible for child care services.
- Providing appropriate notice to recipients determined no longer eligible for child care services under the DCBS approval process.
- Completing referrals to the child care service agents by use of the form DCC-86 Referral for Low Income Child Care Assistance for families needing child care services but not eligible under the DCBS DCC-85/DCC-85A process.

The child care service agent staff is responsible for:

- Transferring information provided on the DCC-85 or DCC-85A and entering pertinent information from AKKO and other systems to the KICCS system.
- Assisting the recipient in locating suitable child care if requested to do so.
- Requesting proof of current immunization if verification is needed.
- Issuing a DCC-94 Child Care Service Agreement and Certificate to confirm enrollment and co-payment information.
- Issuing and obtaining the client's signature on a DCC-91 Client Rights and Responsibilities Sheet.
- Processing changes reported by DCBS staff, the recipient, or child care provider that impact child care services.
- Sending notification to recipients regarding changes made in the child care case.
- Maintaining the child care case record.
- Processing payments to providers.

3.2 Completion and Routing of DCBS Approvals (Revised 06/01/09)

The DCC-85 or DCC-85A can be completed in hard copy fashion or electronically as determined by local agreement. All shaded sections of the DCC-85 or DCC-85A form are required entries. KAMES Inquiry (AKKO) must be used to obtain information to complete the DCC-85A. If information is not representative of the current CCAP application, contact DCC staff per local protocol for other missing items. **All DCC-85's and DCC-85A's are to be entered into KICCS within three (3) days of receipt by the child care service agent.**

The DCC-90 Application for Subsidized Child Care Assistance generated by the KICCS system is filed in the child care case record and is not required to be signed by the recipient. A DCC-91 and a DCC-90F are sent to the recipient indicating the fact sheet must be signed and returned to the Service Agent no later than thirty (30) days from the date of approval. If the service agent staff determines additional information is needed from the recipient in order to process the application or complete enrollment of children needing care with a provider, a DCC-90F Notice of Appointment/Request for

Information that accompanies the DCC-91 indicates the needed information. A copy of the DCC-90F is provided to the DCBS worker who completed the DCC-85 or DCC-85A if information in addition to the fact sheet is needed.

An interview with the Service Agent to complete the eligibility determination cannot be required of the client.

The DCBS worker determines the schedule for child care services based on the work activities or safety requirements of the case. Travel time to and from the site of the child care provider and fluctuating work or training schedules are factored into this determination. The need for child care is documented on the DCC-85 or DCC-85A and is used to determine the most appropriate child care arrangement that will meet the needs of the family.

The DCBS worker indicates any extenuating circumstances in the comments section of the DCC-85 or DCC-85A. This includes but is not limited to:

- Required notification of absences from child care if requested by the DCBS worker.
- Required use of child care if specified in a case plan to address safety issues.
- Restrictions on the choice of a child care provider due to safety issues.
- Schedules that may require the use of multiple child care providers.
- Short term need for child care.
- Any special needs of a child.
- Upcoming known changes that may affect child care.
- An explanation regarding the imposition and amount of court ordered co-payments for child care.
- Two (2) month income disregard
- KWP (Kentucky Works Program) sanction

The third page of the DCC-85 or a copy of the DCC-85A is given to the recipient to document their eligibility for child care subsidies. The recipient is instructed to provide the sheet to their child care provider to verify they are eligible to receive CCAP payments so enrollment can take place. If the provider chooses to enroll the children it is the recipient's responsibility to advise the service agent staff of the name and location of the provider in order that forms relating to provider approval and payment can be issued.

3.3 Family Support Approvals (Revised 06/01/09)

Families who receive K-TAP (Kentucky Transitional Assistance Program) benefits may be eligible for child care assistance if a responsible adult is:

- Participating in the Kentucky Works Program, or
- Working, or
- A teen parent attending high school or GED classes

The child care eligibility code used for child care for these families is:

- **TANF** for a K-TAP Family with a Working Adult
- **TCCN** for all Other K-TAP Families

Families not meeting the above criteria, but requesting child care assistance are referred to the child care service agent by the DCC-86. Eligibility criteria in Chapter 4, Section 4.3, Technical Eligibility is used to determine if the family qualifies for subsidies.

A completed DCC-85A from a DCBS Family Support worker must include the expected duration of participation, the days of the week care is needed, and if part day or full day care is appropriate. The approval includes adult(s) information, income to be counted for co-pay assessment, child support if received directly by the family, information on children included in the household who need care, in order for adults to meet KWP requirements, and provider information, if known.

The AKKO will serve as verification of Social Security numbers, citizenship, birth dates and parent income. The service agent staff shall not require that this information be re-verified for a case approved by the DCC 85/DCC 85A process.

All K-TAP cases approved by the DCC-85A process are re-determined no less than every twelve (12) months. Re-determination procedures are outlined in Section 3.10, Re-determination Process for DCBS Approvals of this chapter.

Notify the Family Support worker if the recipient fails to return requested information needed to enroll a child and/or authorize child care payments.

3.4 Discontinuance of K-TAP (Revised 06/01/09)

The discontinuance of K-TAP does not automatically end the eligibility period of the child care case established when the DCC-85A was processed. Upon notice from the Family Support worker that the K-TAP case has been discontinued, action is taken by the service agent staff to remove the K-TAP income and act on any other reported changes. A face to face interview is not scheduled with recipient in order to initiate changes in the child care case. If additional information is needed a DCC-90F is sent to the family. If all changes result in negative action being taken in the child care case, a DCC-105 Notice of Adverse Action is sent to the family by the service agent staff.

If the family remains eligible for child care assistance, no change is made to the existing re-determination date or eligibility type. At the next re-determination, the family must provide verification of technical factors that are required of other low income working families.

3.5 Protection and Permanency Approvals (Revised 08/01/09)

Protection and Permanency staff may approve child care using the DCC-85 when families need the service as:

- A Preventive Service to meet the child care needs of a family with a case opened due to a Family in Need of Services Assessment (FINSAs) in order to stabilize the situation and prevent escalation to an environment at increased risk of abuse or neglect.

- A Protective Service provided when abuse, neglect, or dependency is substantiated and the family has need for child care services, as indicated in the case plan and/or after care plan.

Teen parents attending high school or GED classes may be approved for child care services by DCBS field staff. The child care eligibility code for these cases is:

- **CCP** for Preventive or Protection approvals

Families not meeting the above criteria but requesting child care assistance are referred to the Child Care Service Agent by the DCC-86. Eligibility criteria in Chapter 4, Section 4.3, Technical Eligibility are used to determine if the family qualifies for subsidies.

Foster care children are not eligible for CCAP subsidies.

All DCC-85 forms generated by Protection and Permanency staff require the written approval of the FSOS (Family Services Office Supervisor) or designee.

Family co-payments may be waived by the social services worker with the approval of the FSOS. If the co-payment is waived this must be indicated on the DCC-85 with the reason for waiver indicated in the justification section. If co-payments by the family are court ordered the amount of the co-payment assessed to the parent must adhere to the order. The amount of the court ordered co-payment is indicated on the DCC-85.

For instances where the co-payment is not waived or the amount is not court ordered the co-payment amount is determined by the co-payment chart based on income entered on the DCC-85.

The DCC-85 will serve as verification of social security numbers, birthdates, citizenship, and parent income. The service agent staff shall not require that this information be re-verified for a case approved by the DCC 85 process.

Special attention and care is to be afforded to instructions provided by the social services worker regarding the required type of provider, days of the week care is to be accessed, and any comments recorded on the DCC-85. This is necessary to ensure the safety and proper care of children approved for child care subsidies by DCBS staff working in Protection and Permanency programs.

The eligibility period for Protection and Permanency approvals shall not exceed six (6) months. Re-determination procedures are outlined in Section 3.10, Re-determination Process for DCBS Approvals of this chapter.

Parents are responsible for providing immunization records for the children unless exceptions indicated in Section 5.8, Child's Immunization Certificate apply or the social services worker supplies the needed documentation. Child care benefits shall be available for a period of thirty (30) days while the family obtains the necessary proof of immunization.

3.6 DCBS Documentation and Verification Requirements (Revised 06/01/09)

Follow guidelines outlined in Chapter 1 - Manual Section 1.17, Case Record Content for a listing of documents to be included in the case record. Documentation and

verification in the family's child care case record must provide adequate information regarding eligibility, choice of child care provider and issuance of the DCC-94.

At a minimum the following must be contained in the child care case record of a recipient approved for child care services by DCBS staff:

- DCC-85 Approval for Child Care Assistance or DCC-85A K-TAP Approval for Child Care Assistance completed and signed by a DCBS worker
- Proof of current immunization if required for all children receiving child care subsidies
- DCC-94 Child Care Service Agreement and Certificate
- DCC-91 Client Rights and Responsibilities Sheet signed by the client
- DCC-105A Notice of Client Eligibility
- DCC-202 Case File Checklist DCBS Approvals

3.7 Re-Determination Process for DCBS Approvals (Revised 12/01/08)

DCBS staff is responsible for determining continued eligibility for recipients approved by the DCC-85 or DCC-85A process. If DCBS determines an approval is no longer appropriate, the DCBS worker will provide notice of ineligibility to the recipient.

All cases appear in the work basket of the service agent staff person forty-five (45) days prior to the ending date of eligibility. Cases approved by a DCBS worker are identified on this listing. Within three (3) work days of work basket notification, the service agent staff person shall notify DCBS staff, as determined by local protocol, of the impending end date of eligibility and request that form DCC-85 or DCC-85A be forwarded within fifteen (15) days approving continued eligibility if appropriate. The form DCC-87 can be used as notification to DCBS staff.

If there is no response within fifteen (15) days to the initial request, the service agent staff will send a **second request** with a copy to designated DCBS management staff determined by local protocol. Concurrently, the service agent staff will send a DCC-90F to the recipient indicating an approval for child care assistance has not been received from their worker in DCBS and advising if they wish to receive child care subsidies an application will need to be completed and filed with the service agent staff person. Document in the case record all efforts to obtain a DCC-85 or DCC-85A from DCBS. Sufficient documentation of efforts are copies of the DCC- 87 or other written requests sent to DCBS and DCC-90F sent to the recipient. No further action is required by the service agent staff to complete the re-determination, as the case will automatically discontinue in the event required documents are not returned. If the client makes contact and requests child care assistance, the case is processed using low income criteria.

If a re-determination DCC-85 or DCC-85A is received, process and assign an eligibility period of:

- No more than twelve (12) months for K-TAP recipients
- No more than six (6) months for protection and permanency clients

3.8 Erroneous DCBS Approvals (Revised 08/01/09)

During the DCBS approval process, the DCBS worker provides the client with page 3 of

the DCC-85 or a copy of the DCC-85A which serves as documentation that the family is eligible for child care services and is used to obtain services from a provider.

If it is determined prior to enrolling the child with a provider that the approval is erroneous and the client does not meet low income eligibility criteria, immediate contact is made with DCBS staff per local protocol to ensure that notice is provided to the client that services are not appropriate. No further action is taken by the service agent. The service agent contacts the DCBS worker prior to any action taken.

If it is determined after enrollment of a child with a provider has been completed that the approval is erroneous and the client does not meet low income eligibility criteria immediate contact with DCBS staff per local protocol is made and:

- A DCC-105 is sent to the client advising child care payments will terminate.
- A DCC-94D Provider Notification of Intent to Terminate Payment is sent to the child care provider.
- Payment, if requested on a DCC-97 Provider Billing Form, is authorized for the period beginning with the date the children were enrolled for service and ending with the termination date.

3.9 Enrollment Fees (Revised 06/01/09)

Enrollment fees can be paid for KWP (Kentucky Works Program) recipients approved by Family Support in addition to Protection cases that are under the 200% Federal Poverty Level. **Enrollment fees are paid only for these two groups of recipients.**

The Child Care Service Agents collect fee information from licensed centers on the DCC-94B Licensed and Certified Provider Information Form. The amount of the fee must be indicated on the DCC-94B in order for a fee payment to be authorized to the provider.

Enrollment fees are paid to Licensed Type I and Type II centers and Certified Family Child Care centers, if this is their policy to charge the fee to the general public. If non CCAP families are not charged a fee, then fees are not paid for CCAP families.

Enrollment fees are not paid to registered child care providers.

Families may change providers no more than three (3) times within a twelve (12) month period, unless exceptions apply, reference Family Rights and Responsibilities Chapter 14 Section 14.4, Provider Changes. Enrollment fees may be paid no more than three (3) times within a twelve (12) month period.

Procedures for authorizing fee payments are indicated in Chapter 9 Payments, Section 9.17, Steps for Processing Payment of Enrollment Fees.

3.10 DCBS Referrals (Revised 12/01/08)

DCBS workers provide services to many families who do not meet the eligibility criteria required for generation of the DCC-85 or DCC-85A. These families include low income recipients of:

- Food stamps
- Medicaid
- Kinship Care
- Relative placements
- Child only K-TAP cases who live with a non-responsible relative not included in the case

Eligibility for child care assistance for these families is determined by the CCAP service agents. The recipient completes an application interview and provides all required verification as outlined in Chapter 1, Section 1.18, Case Documentation.

Former K-TAP recipients referred by DCBS for services within (12) twelve months of K-TAP discontinuance must meet all requirements of any other low income family with the exception of meeting the 150% FPL income guideline. The income guideline for these families is 165% FPL. See Chapter 4, Section 4.4, Income Guidelines.

DCBS staff may refer recipients who indicate a need for child care services by use of the DCC-86. The form is provided to the recipient and the child care service agent to facilitate the filing of an application for assistance.

Chapter 4

Low Income Working Families

4.1 Overview (Revised 06/01/09)

All aspects of eligibility, case management, and payments to providers for low income working families are the responsibility of the service agent staff.

These families must meet and provide verification of all technical factors indicated in Chapter 4, Section 4.3, Technical Eligibility. Once approved, an eligibility period of twelve (12) months is assigned.

4.2 Application Process (Revised 12/01/08)

Applications are accepted and processed by service agent staff for the general public and individuals referred by DCBS staff by the DCC-86 Referral for Low Income Child Care Assistance form. Families approved by DCBS staff on the DCC-85 Approval for Child Care Assistance or DCC-85A K-TAP Approval for Child Care Assistance are not subject to interview and verification requirements of low income eligibility groups.

Any person has the right to apply for Child Care Assistance on the day they make contact with the Service Agent. Application procedures are located in Chapter 2 - Applications, Section 2.1, General Procedures for Applications/Reapplications.

4.3 Income Guidelines (Revised 04/01/09)

The family applying for low income subsidized child care services must have gross countable income at or less than 150% of the federal poverty level. Income of children is not considered.

2009 150% - FPL Income Limits	
HH2	\$1,821
HH3	\$2,289
HH4	\$2,756
HH5	\$3,224
HH6	\$3,691
HH7	\$4,159
HH8	\$4,626
HH9	\$5,094
HH10	\$5,561
HH11	\$6,029
HH12	\$6,496

Families who have been approved for child care services remain income eligible as long as countable gross income is less than or equal to 165% of the federal poverty level.

2009 165% - FPL Income Limits	
HH2	\$2,003
HH3	\$2,518
HH4	\$3,032
HH5	\$3,546
HH6	\$4,060
HH7	\$4,575
HH8	\$5,089
HH9	\$5,603
HH10	\$6,117
HH11	\$6,632
HH12	\$7,146

NOTE: A client who is terminated at 165% of the federal poverty level can reapply within thirty (30) days of the termination and be reapproved at the 165% income limit. Clients who reapply after thirty (30) days will reapply at 150% of the federal poverty level income guidelines.

4.4 Former K-TAP Recipients (Revised 06/01/09)

Applications for child care benefits from former K-TAP recipients are accepted and processed by service agent staff. CCAP benefits may be approved if the family's gross countable income is at or below 165% of the federal poverty level **and** the adult's K-TAP benefits were discontinued within twelve (12) months of applying for child care. Former K-TAP recipients must meet the same technical eligibility and verification requirements as other low income families.

A completed DCC-86 Referral for Low Income Child Care Assistance from a DCBS family support worker or AKKO verification is necessary for approval of CCAP benefits at the higher gross income standard. The block on the form indicating the adult is a former K-TAP recipient should be checked and the effective date of K-TAP discontinuance indicated.

The twelve months begins with the effective date of K-TAP discontinuance. Example: K-TAP is discontinued November 15, 2007. The effective date of discontinuance is December 1, 2007. The 165% income guideline is appropriate for an application filed anytime during the period December 1, 2007, through November 30, 2008.

The eligibility type for these cases is **CCTK**.

4.5 Teen Parents (Revised 12/01/08)

A teen parent is defined as any parent age nineteen (19) or younger who needs child care assistance in order to attend high school or pursue a GED in a classroom setting.

Teen parents **do not need** a DCC-85 or DCC-85A from the Department for Community Based Services in order to be eligible for child care assistance.

For teen parent child care assistance applicants, the teen and his/her child(ren) are considered a nuclear family, even if they are residing with other family members. Any income that the teen parent has is used in determining eligibility and in assessing daily family co-pays. No other adult member of the household is counted in terms of family size or income, unless the teenager is married and living with his or her spouse or living with the parent of the child(ren).

EXAMPLE: Tamara, a sixteen (16) year old with a three (3) month old son, lives with her parents. She goes to high school and needs child care. Tamara receives child support of twenty-five dollars (\$25) per week from the child's father. Child support income is the only income considered in the child care case. The family size is two (2).

EXAMPLE: Heather, a seventeen (17) year old, lives with her eighteen (18) year old boyfriend, Philip, and their one (1) year old daughter. They live in the basement of Heather's parents' home. Philip works twenty (20) hours per week and Heather goes to GED classes. Philips' wages are the only income considered in the child care case. The family size is three (3).

Non K-TAP/CPS teen parents must meet income eligibility guidelines in order to receive child care assistance. A teen parent who is working, but not attending school or pursuing a GED, must meet the same work hour requirement and income guidelines as low income working families. A teen parent who works, in addition to attending high school or pursuing a GED, **is not** required to work a minimum of twenty (20) hours per week.

In KICCS, if the teen parent is not working and not a DCBS approval, **TENF** will be displayed as the only eligibility code. If the teen is attending school and working, KICCS displays the option for **CCIE** or **TENF**; staff will select **TENF**.

4.6 Kinship Care (Revised 06/01/09)

Kinship Care is a program funded by TANF that places a child with a qualified relative caregiver as an alternative to foster care. Kinship Care recipients receive a monthly check and various supportive services that do not include the provision of child care subsidies.

Participation in the Kinship Care program does not establish entitlement to child care assistance benefits. Kinship caregivers must meet the same eligibility criteria as other low income working families.

Kinship Care payments are not counted in household income.

If the DCBS worker receives a request for child care assistance from a Kinship care, the individual is referred to the service agent utilizing the DCC-86 Referral for Low Income Child Care Assistance. The application process, required verification, income guidelines, and technical criteria for low income working families are used to determine the family's eligibility for child care subsidies.

4.7 Education Activities

Low income working families may receive child care services while they attend education activities. These families must meet work requirements outlined in

Chapter 5, Section 5.9, Work Requirements for Low Income Working Families.

Proof of enrollment from the school or institution is required prior to authorizing child care to cover time spent in educational activities. The DCC-90A Certification of School Enrollment is used to obtain enrollment information from the school. Other acceptable verification of enrollment includes a class schedule or a written statement from a school official.

Child care can be authorized while the adult(s) in the family attend:

- High School
- GED classes including online classes provided outside the home
- Licensed or accredited vocational or technical school
- Accredited college or universities including online classes

Enrollment can be full or part time. There are no limits on the length of time a working adult can attend school and receive child care services.

4.8 Joint Custody

When parents share custody of a child and both parents need child care assistance, each parent applies for the period of time the child resides in his/her home and pays the corresponding parental fee. There are two (2) separate applications and parental fees even if the child is with the same child care provider.

Chapter 5

TECHNICAL ELIGIBILITY

5.1 Overview (Revised 07/01/09)

A child who receives subsidized child care services must meet technical requirements that include age, residency, citizenship, relationship to adult(s) in the home, immunization, and work requirements for adults. In addition to eligibility requirements placed on the family, there are limitations to the type of provider that can be paid with CCAP funds.

5.2 Age of the Child (Revised 10/01/09)

A child meets the age requirement if he/she is:

- Birth through twelve (12) years old; or
- Age thirteen (13) but under age nineteen (19), and not capable of caring for himself.

Age is verified by:

- [State authorized/numbered birth certificate (including delayed registration at least one (1) year old);
- Verification of birth registrations through IMS Program, Birth Certificate Inquiry (Birth Index File);
- Hospital record (containing the child's name, date of birth, parents' names, hospital name and address and official signature of hospital personnel);
- Baptismal record;
- Statement from attending physician/midwife;
- Adoption record; or
- INS records (e.g. passport, immigration papers which includes child's name and birthdate).]

If care is requested for a child who is age thirteen (13) but under age nineteen (19), written verification must be obtained verifying the need for care. Verification may be provided by:

- A qualified health professional approved by the Cabinet such as a school or comprehensive care center.
- A court order or similar documentation indicating the child is under court supervision.

5.3 Residency Requirements (Revised 07/01/09)

An applicant requesting child care services must be a verified resident of Kentucky. There is no requirement placed upon the duration of residency.

Residence is verified by documentation which reasonably establishes that the applicant resides in Kentucky and can be verified in conjunction with other information such as, but not limited to, household composition, school attendance, income, identity, etc.

5.4 Household Composition (Revised 07/01/09)

The names and relationships to the applicant of all individuals who reside at the same physical address as the applicant are to be verified at each application, re-determination, and at any occurrence of a change in the household's composition.

Household composition is verified by a DCC-90C, Residence-Household Verification, a current lease which lists all residents at the applicant's address, or a written statement or collateral contact from an individual who has knowledge of the client's living situation.

The verification of household composition may be completed by or obtained from an individual who resides at the same address as the applicant **only if** that individual is the applicant's landlord and **is not included in or a parent of** any individual in the applicant's household size. This could include an applicant living with and paying rent to a parent, other relative, or an unrelated adult.

Service agent staff is to document in case comments any unusual circumstance related to household composition including, but not limited to, the reason for accepting verification from an individual residing with the applicant, the name and telephone number for any collateral contacts made, and any other information that has a bearing on the determination of eligibility for the case.

5.5 Citizenship Requirements

A child must be a U.S. citizen or qualified alien to be eligible for child care benefits. This includes children born in the United States to non citizen parents. Citizenship can be determined by verification used to establish age. Alien status is verified by Immigration Naturalization Services (INS) documents.

Adults in the home are not required to meet citizenship requirements.

5.6 Verification of Alien [Child] Status (Revised 07/01/09)

Verify the status of an alien child through the Immigration and Naturalization Service (INS) documentation provided by the applicant.

Use the following chart as a guide to the INS documentation. This is not an all inclusive chart. A child may have a different INS document that identifies the alien status and date of entry. Accept any INS documentation provided by the applicant that verifies the child's status and date of entry unless it is questionable. Have the applicant resolve any questionable status through INS.

Status of Alien	INS Document
Permanent resident alien before August 22, 1996	I-151 or I-551

Permanent resident alien on or after August 22, 1996 If veteran of US Military If active duty US Military	I-551 DD-214 Discharge Certificate Any document showing active status
Refugee	I-94 marked with "admitted under INA 207", "Refugee", or "Refugee - Conditional Entrant"
Asylee	I-94 marked with "admitted under INA 208" or INS letter
Deportation Withheld	I-94 marked with "admitted under INA 243(h)" or letter from immigration Judge
Amerasians	I-94 or I-551 marked with an identifier in comments - AM1, AM2, AM3, AM6, AM7 or AM8
Parolees	I-94 marked with "admitted under INA 212(d)(5)" The date will read "Indefinite"
Conditional Entrants	I-94 marked with "admitted under INA 203(a)(7)"
Cuban/Haitians	I-94 may be marked "admitted under INA 207", "Refugee" or "Refugee - Conditional Entrant"
Battered Aliens	I-94 admitted under INA 204(a)(1)(A) or (B), or whose deportation is suspended under INA 244(a)(3)
Victims of Human Trafficking and Eligible Relatives	I-94 or visa with "T-1" category. Eligible relatives of the victims have T-2, T-3, T-4 or T-5 category designations.

5.7 Eligible Living Situations (Revised 07/01/09)

In order to be eligible for child care benefits, the child must be living with a parent as defined in Chapter 1, Section, 1.21 Glossary.

The person eligible to apply for benefits on behalf of the child is considered the head of household.

If there are two (2) adults present in the home, the second adult, or responsible adult, must be included in the determination of household size and income if he/she is:

- A natural or adoptive parent
- A step parent
- The spouse of the head of household
- The in loco parentis spouse

Examples:

Child lives with her mother and father who are not married. This is a three (3) person family consisting of two (2) adults and one (1) child.

Child lives with her aunt, the aunt's husband (uncle by marriage to child), and two (2) cousins, ages six (6) and eight (8). This is a five (5) person family consisting of two (2) adults and three (3) children.

Child lives with an adult unrelated to her, that person's spouse, and their two (2) children. This is a five (5) person family consisting of two (2) adults and three (3) children.

5.8 Child's Immunization Certificate (Revised 07/01/09)

A parent must present to the Cabinet or its designee a current immunization certificate showing that the child is immunized in order to receive child care services under the CCAP unless the child currently attending:

- A licensed child care center,
- Certified child care home,
- Public school,
- Head Start, or
- Other entity that requires proof of immunization as a condition of enrollment.

If a child served by the CCAP is not immunized, child care assistance benefits may continue for a period of thirty (30) days while the family takes the necessary action to comply with the immunization requirement.

Exemptions from immunization requirements are available for children whose parents provide written documentation of religious objections to immunization or when immunization is injurious to the health of the child based on the written opinion of the child's attending physician.

5.9 Work Requirements for Low Income Working Families (Revised 08/01/09)

Eligible Work Activities

To receive a subsidy payment for child care, a family must contain a gainfully employed adult or adults. Employment means public or private, permanent or temporary work that is performed for a wage, or is self-employment, or is unpaid such as student teaching, an internship, job training required as a factor of eligibility for Unemployment Insurance Benefits (UIB), or practicum. In order for an activity to be counted towards required work hours, it must fall into one of these categories.

Note: Unpaid work such as a practicum, internship, job training, or student teaching must be entered on the KICCS system in order for technical requirements to be met.

Single Parent Households

Any household which contains only one (1) parent will be required to meet the following guidelines. This includes households where one parent is temporarily absent from the household for a period of over thirty (30) days due to incarceration or hospitalization. The nature and length of the absence must be verified and documentation kept in the case record.

The requirement for a single parent family is that they work a minimum of twenty (20) hours per week. For individuals with work hours that fluctuate, the weekly average

over a month's time is used to determine eligibility. A combination of employment activities can be used to meet the required number of hours.

Example 1: Christy is a single mother of two children and she is working at a fast food restaurant twenty-five (25) hours per week. Christy meets the work requirement of twenty (20) hours per week

Example 2: Sally works at McDonald's and her weekly hours fluctuate. In a four (4) week month, she worked fifteen (15) hours, thirty (30) hours, twenty (20) hours, and sixteen (16) hours. She averages twenty (20) hours a week over a month's time and meets the work requirement.

Example 3: Joe works fifteen (15) hours per week for a car dealership and has a second job working ten (10) hours per week at a video store. Joe's combined work hours of twenty-five (25) hours per week meets the minimum work requirement.

Example 4: Sue is receiving Supplemental Security Income (SSI) based on a permanent disability. She is going to school and is requesting help with child care. Sue does not have a job and will not be able to work within three (3) months. Sue is not eligible to receive child care assistance through the CCIE (Low income families with working adults) program.

Example 5: John was laid off over a month ago and is receiving UIB. Unemployment has waived the job search requirement for John but requires that he attend a job training center twenty (20) hours per week in order to remain eligible. John has provided proof of his income from unemployment and a statement from the job training center that he is required to attend the center twenty (20) hours a week in order to remain eligible for Unemployment benefits. John's unpaid work of twenty (20) hours per week meets the work requirement.

Two Parent Households

The requirement for two (2) parent families is a combined average of forty (40) hours per week with neither parent working less than an average of five (5) hours a week unless one (1) adult is verified as mentally or physically unable to provide care for the children. In instances where there is an incapacitated parent in the home the minimum work requirement for the non-incapacitated parent is twenty (20) hours per week. The incapacitated parent must provide a doctor's statement verifying that he/she is unable to care for the child.

Example 1: Sue and Ted are married and both work. Sue averages fifteen (15) hours per week in an unpaid practicum; Ted averages twenty-five (25) hours per week at a paying job. The family meets the work requirement.

Example 2: Sue and Ted are married. Sue works twenty-two (22) hours per week. Ted is off of work due to a back injury. He has provided a doctor's statement that he is unable to care for the child in the home. This family meets the work requirement.

Verifying Work Hours

In all circumstances it is the responsibility of the applicant to provide third party

verification of the number of hours worked, and/or requirement and attendance to an unpaid work setting. Some self-employed individuals may have a difficult time providing 3rd party verification of their work hours. Subsequently, the applicant's statement shall be acceptable at initial application or the first report of self-employment income. The service agent will inform the applicant that they are required to keep and provide records of the hours they actually work for any future actions to be taken on their cases.

Self-employed individuals who work in their own home can meet the work requirement provided that the individual can provide a work schedule which indicates the hours that care is needed and the individual states that they are unable to perform the enterprise with children present in the home. Service agent staff will need to inquire closely into self-employed individuals who work in their own home to determine the nature of the enterprise and how having child care will be beneficial to the household.

Example 1: Jeff does automotive repair out of his garage during the day and states that he works from 8:00 AM to 5:00 PM each day. Jeff states that he cannot have his five (5) year old son at the house because he cannot watch him all day and the dangerous nature of many of the tools he works with does not allow the child to be with him while he works. Jeff's self employment would meet the work requirement.

Example 2: Claudia operates an internet based business out of her home. She says she works between thirty-five (35) to forty (40) hours per week but that she does not have a set schedule and some of time she works when the children are home. As Claudia cannot provide a schedule and can complete her job whether the children are present or not she would not meet the work requirement.

NOTE: If, after discussion with local supervision, the specific situation is still questionable then Service Agent Staff should forward the specific case scenario with a case number/SSN, financial records from the applicant, the applicant's schedule, and any additional pertinent information to Division of Child Care 275 E. Main St, 3C-F, Frankfort, KY 40601. Upon receipt of the case information central office staff will review and render a decision as to whether the individual's situation meets the work requirements.

5.10 Work Requirement Exceptions - (Revised 08/01/09)

A recipient's eligibility may be maintained during periods when they are not meeting the minimum work requirements if the recipient meets the following specified criteria. Child care assistance can be paid for up to six (6) weeks for a health related break in employment due to childbirth/surgery/illness and up to four (4) weeks due to loss of employment through no fault of their own. The recipient must provide verification for required leave through a statement from a qualified health professional or verified birth or adoption of a child and verification from the employer of anticipated return to work.

Eligibility may be maintained for up to twelve (12) weeks if the qualified health professional verifies the medical condition requires additional leave however no payments will be issued after the initial six (6) weeks. The recipient and provider must

be notified that any fees charged during this period are to be negotiated between the recipient and the provider. The continued eligibility for child care assistance cannot exceed twelve (12) weeks per occurrence and must have prior approval.

To resume child care assistance, the recipient must provide verification of the return to an eligible work activity prior to the end of the eligibility period. If the recipient has returned to an eligible work activity then the worker is to take action to re-enroll the eligible children with a provider of the client's choosing.

If a recipient fails to make contact or becomes ineligible for services, the worker must send a notice to the recipient and provider to reflect the case is being discontinued due to no eligibility.

If the recipient remains eligible, the worker should follow standard notification procedures regarding eligibility to both the recipient and provider.

An illness of more than two (2) weeks must be verified by a statement from a qualified health professional and a statement from the employer confirming the work status of the adult.

There is no change to employment information unless the recipient is not receiving payment for an extended period of time. If the recipient is on leave without pay for a minimum of two (2) weeks then the worker processes a case change. This time frame cannot exceed twelve (12) weeks.

A recipient may continue to receive child care assistance when the following circumstances exist:

- For six (6) weeks following major surgery or major illness that prevents a recipient from meeting work/education requirements, this requires a written statement from a qualified health professional.

Example 1: Recipient is sick with the flu and the following week her child is sick with the flu. The recipient did not receive wages for the second week off. In this instance no changes would be made to the case; the lack of income and hours would be excluded from the income calculation as it is not representative of the ongoing wages.

Example 2: Recipient had a heart attack and is on unpaid leave from work for six (6) weeks.

- Maternity leave for a period of six (6) weeks. This is verified by a qualified health professional's statement and a statement from the employer indicating the adult will be returning to work. The worker processes a case change in this instance. A newborn is added to the case and coded as an 'other child' until child care is needed. If the client is receiving wages while on maternity leave, adjust wage information accordingly. The worker enters a case change date in the system for the date the client is scheduled to return to work and enters a case note to indicate the reason for case change. The worker reviews enrollment, re-allocates the co-pays and generates and mails a new certificate if required.

- Loss of employment, due to no fault of the client, and subsequent job search to secure new employment for a period not to exceed four (4) weeks. In this situation the worker processes a case change. The worker enters a case change date of four weeks from the last date worked and a history note indicating the reason for the case change. The worker reviews enrollment, re-allocates the co-pay, generates and mails a new certificate if required.

The above exceptions are only applicable if changes are reported in a timely manner, ten (10) calendar days.

Good Cause for leaving employment includes:

- Discrimination by an employer based on age, race, sex, disability, religious beliefs, national origin or political beliefs;
- Work demands or conditions that render continued employment unreasonable, such as working without being paid on schedule;
- Resignations by persons under the age of sixty (60) which are recognized by the employer as retirement;
- Leaving employment which becomes unsuitable after the acceptance of employment;
- Acceptance of bona fide offer of employment of twenty (20) hours a week or when the weekly earnings are equivalent to the Federal minimum wage multiplied by twenty (20) hours which, because of circumstances beyond the control of the member either does not materialize or results in employment of less than twenty (20) hours a week or weekly earnings of less than the Federal minimum wage multiplied by twenty (20) hours;
- Leaving a job in connection with patterns of employment in which workers frequently move from one employer to another, such as migrant farm labor or construction work. Although employment at the new site had not begun, quitting the previous employment is considered with good cause if it is part of the pattern of employment.
- Military personnel who choose not to reenlist; or
- Lack of adequate child care for children.

5.11 Technically Ineligible Families

Families are not eligible for CCAP benefits if care is provided by:

- A natural or adoptive parent;
- A step parent;
- A person acting "in loco parentis" or their spouse;
- A legal guardian or their spouse;
- A person living in the same residence as the child;
- A member of the K-TAP or food stamp case in which the child is included;
- A provider who is not licensed, certified, or registered;
- An alternative program such as Head Start, public preschool or kindergarten; or
- Another child care provider if the family operates a child care business in their home.

Chapter 6

INCOME

6.1 Overview

Income is money received from statutory benefits, rental property, investments, business operations, child support, nonrecurring lump sums, etc., or for labor or services performed by the head of household and responsible adult. Income may be unearned or earned.

All income of a child is excluded.

Verify and document types and amounts of income at each application and re-determination and at the time of a reported change or anticipated change in income. Also, document how the income is considered.

6.2 Defining the Family Size for Determining Income Eligibility (Revised 04/01/09)

When the amount of income available to an individual is a condition of eligibility for subsidized child care services, it is necessary to determine the number of persons in the individual's household and the amount of the gross income available. A family, for purposes of an eligibility determination for child care, consists of the head of household, a responsible adult if present, minor children living in the home, and/or an adult child under the age of twenty-two (22) who is currently enrolled in and attending a course of higher education at an accredited college, university, or technical school; including online classes, and primarily resides in his/her parent's home.

Example 1: Household consists of Susie, Jed her boyfriend, and Susie's two (2) children, ages three (3) and six (6). Susie needs child care for her children. Susie is the head of household. Family size is three (3) and consists of Susie and her two (2) children. Susie's income is counted.

Example 2: Household consists of Mary, her husband, Tim, and their two (2) children, ages three (3) and six (6). Mary and Tim need child care for the three (3) year old. Mary is the head of household. Tim is the responsible adult. Family size is four (4) and consists of Mary, Tim, and their two (2) children. Mary and Tim's income is counted.

Example 3: Household consists of Cindy, Cindy's mom, Hilda, and Cindy's two (2) children, ages three (3) and six (6). Cindy needs child care for her children. Cindy is the head of household. Family size is three (3) and consists of Cindy and her two (2) children, ages three (3) and six (6). Cindy's income is counted.

Example 4: Household consists of Jenny, sixteen (16), Connie (Jenny's aunt), Sam (Connie's husband), Otto (Jenny's cousin) and Drew, Jenny's baby. Jenny is a teen parent and needs child care for her baby. Jenny is the head of household. Family size is two (2) and consists of Jenny and Drew. Jenny's income is counted.

Example 5: Household consists of Mimi, her husband Sam, Tootie, their sixteen (16) year old daughter, and their three (3) month old nephew, Jason. Mimi needs child care for Jason. Mimi is head of household. Sam is the responsible adult. Household size is four (4) and consists of Mimi, Sam, Tootie and Jason. Mimi and Sam's income is counted.

Example 6: Household consists of Bonnie, her adult daughter Jacqueline (21), her adult son Joseph (19), and her son Connor (1). Jacqueline is enrolled and attending college at a local technical school and works part-time as a waitress. Joseph is not in college but works part time in a grocery store. Household size is three (3) and consists of Bonnie, Jacqueline, and Connor. Bonnie and Jacqueline's income is counted. Joseph is not included in the household as he is not in college and his income is not considered.

6.3 Calculating Income (Revised 07/01/09)

- For **earned income**, other than self-employment income:

- Cents are not rounded in any step of the calculation.
- Unless it does not represent the ongoing situation, use income from the proceeding two (2) calendar months. Document any circumstance which requires a variation from using prior two (2) months.
- Determine the monthly amount of each income type.
- Determine monthly income by multiplying weekly, bi-weekly, or semi-monthly amounts by 4.334, 2.167, or 2 respectively. Do NOT round cents before adding or multiplying hourly or daily earnings. Do NOT round before adding or multiplying weekly, bi-weekly, semi-monthly, monthly, quarterly or annual amounts.
- If there is tip income, please see Tip Income below.

Example: An individual works consistently twenty-five (25) hours per week at \$4.50 per hour. He/she is paid weekly. Twenty-five (25) hours per week multiplied by \$4.50 per hour equals \$112.50 per week. \$112.50 per week multiplied by 4.334 equals \$487.58.

- If the individual has recently started a job and has not received two (2) calendar months of wages or past wages are not reflective of current income, the monthly anticipated income is determined:
 - by multiplying the hourly rate of pay by the estimated number of hours to be worked in a pay period
 - monthly amount by multiplying the pay period amounts weekly, bi-weekly, or semi-monthly amounts by 4.334, 2.167, or 2 as appropriate.

- For **Tip Income**:

Countable tip income is monies received in addition to wages for services performed by the employee. Countable tip income includes the allocated or tip credit reported by the employer for tax purposes which may appear on the paycheck stub.

Tip income may be verified by:

- Using the individual's daily tip log of actual tips received. A tip log is any record kept by the individual of tips received each day that shows date of receipt and amount; or
- Using the allocated tip or tip credit amount shown on the paycheck stub.
- For new applications or new tip income when verification is not available, using the individual's statement of anticipated tips. When tip income is reported, advise the individual of his/her responsibility of maintaining a daily tip log or obtaining third party verification of tip income.

Calculate tip income in the following manner:

1. Use the same time period used in determining the monthly amount of earned income for determining tip income (e.g., if income is determined by using the prior two (2) calendar months' wages, then use the prior two (2) calendar months' amount of tips shown on the daily tip log or use the allocated tip or tip credit amount shown on the paycheck stub).
 2. If daily tip log is used, add the monthly tip income to the calculated monthly earned income for the total monthly wages.
- For **unearned income**:
 - Cents are not rounded in any step of the calculation.
 - For income received weekly, bi-weekly, or bi monthly convert to a monthly amount by multiplying by 4.334, 2.167, or 2.
 - If monthly income fluctuates, average the amounts received in the prior three (3) calendar months unless it does not represent the ongoing situation.

6.4 Verification/Documentation (Revised 09/01/09)

- Use the following types of documentation for earned income:
 - Pay stubs
 - Employer statement or contact
 - Contract
 - Records maintained by the individual of self-employment income
 - Current income tax returns
 - Form DCC-90D Verification of Employment and Wages
 - DCC-90G Irregular Work Form
- Use the following types of documentation for unearned income:
 - Award letters or verification forms from Social Security;
 - Company pension statement

- Internal Revenue Service records
- Veterans records
- Railroad Retirement records
- Union records
- Statement or copy of checks from the non-custodial parent for support payments
- Statement from the person or entity providing income to the Individual

6.5 Excluded Income

Excluded income is income received by the family but not considered in determining gross income.

The following is a list of income which is excluded.

- All income received by a child;
- K-TAP child only payments, including back payments;
- Kinship Care payments, including back payments;
- Educational grants, loans, scholarships, and work study income;
- Kentucky Works supportive services payments;
- The value of United States Department of Agriculture food program benefits;
- Food stamps;
- Payments made directly to a third (3rd) party such as a doctor, pharmacist, landlord, utility provider, etc. by another individual or organization in behalf of a family member;
- In-kind income;
- Transportation reimbursements for an employment related duty;
- Non-emergency medical transportation payments;
- Monies received from federal disaster and state disaster assistance;
- Home produce utilized for household consumption;
- Highway relocation assistance;
- Urban renewal assistance;
- Housing subsidies received from state, federal, or local governments even if paid directly to the recipient;
- Funds distributed to certain Indian tribes;
- Supportive services and reimbursements to individuals volunteering as Senior Health Aides or members of the Service Corps of Retired Executives or Active Corps of Executives;
- If less than the minimum wage, payments made to an individual in the Volunteers in Service to America (VISTA), Foster Grandparents, Retired and Senior Volunteer Program, or Senior Companion Program;
- Any payment made by the Division of Protection and Permanency for child foster care, foster care, or personal care assistance;
- LIHEAP and other energy assistance payments;
- The principal of a verified loan;
- Up to \$12,000 to Aleutians and up to \$20,000 to individuals of Japanese ancestry for payments made by the United States Government to compensate for hardships experienced during World War II. (All recipients of this income are provided with written verification by the U.S. Government.);

- Payments made from the Agent Orange Settlement Fund; (one (1) time only payment)
- Earned Income Tax Credit (EIC) payments;
- Any payments received from the Radiation Exposure Compensation Trust Fund;
- Payments made to individuals because of their status as victims of Nazi persecution;
- Income received from temporary employment from the United States Department of Commerce, Bureau of the Census;
- Payments made from Crime Victims Funds in accordance with Section 234 of the Antiterrorism and Effective Death Penalty Act of 1996;
- Loan assistance through the Farm Service Agency (FSA EM) pursuant to Section 321(a) of the Consolidated Farm and Rural Development Act;
- Section 401 of the Veterans Benefits and Health Care Improvement Act of 2000, Public Law 106-419, provided for certain benefits for individuals with covered birth defects who are the natural children of women veterans who served in Vietnam during the Vietnam era. There is no age limit for recipients of these benefits. These individuals receive the benefits until they die;
- A discount or subsidy provided to Medicare beneficiaries pursuant to Section 1860D-31(g)(6) of the Social Security Act;
- Cash grants under the Department of State or Department of Justice Reception and Placement Programs; or
- Vocational rehabilitation reimbursements for an individual participating in Preparing Adults for Competitive Employment.

6.6 Child Support and/or Spousal Support

Child and/or spousal support income is the amount of legally established or voluntary child/spousal support regularly received by the family. Voluntary payments are those amounts made by a legal, alleged, or adjudicated parent when there is no court order for support. Any amount of a military allotment designated as child/spousal support is considered as child/spousal support.

Child support income is considered in the child care assistance case and attributed to the adult.

When child and/or spousal support is court ordered, it can be considered as non-continuing only if zero (0) receipts are verified by the court or office where payments are made, or a collateral contact.

Form DCC-90B Child Support and Income Verification may be used to contact a legal non-custodial parent. Other methods of verification may include a copy of the court order if terms are being met, a print out from the office where payments are made, or a statement from a collateral contact.

To calculate the monthly amount of child support:

- If representative of the ongoing amount of child support;

Manually calculate the total amount of child support for the three (3) prior months (do not round) and average the total to get the average

monthly amount (do not round).

- If not representative (e.g., received less than three (3) months, reduction in amount paid; etc.);

Use the monthly amount that best represents the ongoing child support income. If a monthly amount needs to be calculated, use 4.334 (weekly) or 2.167 (bi-weekly) to obtain the average monthly amount (do not round).

Example: The non custodial parent was paying \$40 a week for the past four (4) months; however, he is working fewer hours and will only pay \$25 a week until his hours increase. Multiply \$25 by 4.334 to get the average monthly amount of \$108.35.

6.7 Wages (Revised 07/01/09)

Wages are received from full-time or part-time employment where taxes are withheld prior to the individual receiving pay. Odd jobs, occasional, seasonal or contract employment are included when taxes are withheld prior to receipt of the income. Exclude from wages reimbursement for transportation in performance of duties, if identifiable.

Consider living allowances (stipends) paid by programs established under the National and Community Services Trust Act of 1993 (such as Americorp) as earned income.

Consider all VISTA payments paid through Americorp that equal or exceed the minimum wage, as earned income; exclude all income less than minimum wage. To determine if the VISTA payment equals or exceeds the applicable minimum wage, send a written request to: Corporation for National and Community Service (CNCS), Kentucky State Office, 600 Martin Luther King Jr. Place, Room 190, Louisville, KY 40202-2230 or call (502) 582-6384.

DO NOT deduct garnishments on salary.

To determine the estimated monthly income, verify and use income from all pay periods in the last two (2) calendar months. If the last two (2) calendar months do not represent the ongoing situation (e.g., sick leave, holiday plant closing, etc.), use information available which best indicates the individual's ongoing income.

If the income in the prior two (2) months is NOT representative of the ongoing situation due to a change of circumstances which occurred or will occur, calculate the best estimate of the monthly income in the following manner:

- If the change in circumstances results in change in the number of hours to be worked, multiply the number of estimated hours per pay period, using employer's statement, by the current pay rate for the period and convert to a monthly amount.
- If the change in circumstances results in a change in the pay rate, multiply the number of hours worked per pay period in the

prior two (2) months by the new pay rate. Divide the result by the number of pay periods in the prior two (2) months and convert to a monthly amount.

If the income has recently begun or the recipient changed jobs and the recipient has not received two (2) calendar months of income, anticipate the monthly income by computing an amount based on:

- The hourly rate multiplied by the estimated number of hours to be worked during the pay period and convert to a monthly amount; or
- The daily rate multiplied by the number of days to be worked in the pay period and convert to a monthly amount.

If the recipient reports that the income is ending:

- Determine the last date the recipient will receive the income. Review case situation to determine if work requirements are still met if the family's basis for eligibility is that the adult or adults are working. (CCIE)

Always document the reason less than the last two (2) calendar months of income was used in the calculation, method of verification, and how the monthly amount was calculated.

6.8 Self-Employment (Revised 04/01/09)

An individual is considered to be self-employed when he/she is working in his/her own business, trade or profession rather than working for an employer. Self-employment income is ANY income paid to an individual for products or services from which **NO** taxes are withheld **PRIOR** to receipt of income by the individual. If Social Security and income taxes are being withheld by an employer, the individual is not self-employed.

Self-employment income may be received annually, or monthly, or it may fluctuate, as in a seasonal self-employment activity.

The following are some common types of self-employment enterprises:

- Small business owners such as grocers, hobby shops, restaurants, etc...
- Individuals who subcontract skills or labor to another person or entity who does not withhold taxes such as carpenters, painters, performers, etc...
 - These individuals may or may not receive a Form 1099 for tax filing purposes.
 - Many subcontractors may work for another individual or company on an ongoing basis but if the employer does not withhold taxes then the employee is self-employed (**see Example 1**).
- Individuals who receive income from farming such as tobacco farmers, some horse farms, and owners of small farms that are operated as a profitable enterprise.
- Individuals who receive income from rental property, boarders, or roomers.

- Individuals who perform odd jobs, seasonal work, or any activity for which they receive monetary compensation that is not taxed. This would include such activities as hobby activities from which an individual profits, selling plasma, selling aluminum cans or scrap metals, seasonal yard work, etc... **(see Example 2)**

Example 1: Jonah works for Smith & Johnson Home Builders as a carpenter. He has been working for the company for a period of eight (8) years. When Jonah returns his verification of income from the company they have indicated that they do not withhold taxes from Jonah's check. Jonah is self-employed and the verification from Smith and Johnson is insufficient. Jonah will need to provide verification of his income as outlined in MS 6.9 Verifying Self-Employment.

Example 2: In her spare time Martha works out of her home creating flower arrangements that she sells at a local flea market on weekends to get a little spending money. Martha has been doing this for a period of several years and has not filed taxes on it as she considers it a hobby. This is self-employment income. Martha will be required to provide verification of the income as outlined in MS 6.9 Verifying Self-Employment.

Note: Owners of businesses which file taxes as corporations are handled differently from self-employment income and are addressed in MS 6.11 Consideration of S-Corporation Income.

6.9 Verifying Self-Employment Income (Revised 04/01/09)

The business records of the self-employment activity are the primary source of verification of self-employment income. Acceptable sources of verification include, but are not limited to:

- Statements of an outside accountant;
- Ledger books, records or receipts maintained by the applicant;
- Information from the most recent IRS tax forms.

When using tax records to verify self-employment income and deductions it is important that service agents gather information from the correct forms. Most self-employed individuals will have a Form 1040 Schedule C, C-EZ, E, or F. The type of form is based upon the nature of the self employment. These forms are to be used to determine the income and deductions for the self-employment. DO NOT use figures from Form 1040 such as business or farm income or (loss) or adjusted gross income. It is possible for individuals to have more than one of these forms as one must be completed for each self employment enterprise in which that individual is engaged.

If an applicant has just started a new business, the applicant's statement of gross income may be accepted as a last alternative **only** if no business or tax records are available. This statement shall **not** be accepted for operating expenses. If the service agent staff accepts the applicant's signed, written statement of gross income, the reason the applicant has no business records must be documented. In addition, service agent staff advises the applicant that at subsequent case changes and re-

determinations it will be necessary to provide adequate business records to establish income in order to continue to receive services.

For instances when the applicant's statement of income is used, the service agent staff enters a case change date in KICCS, three (3) months from the date of eligibility determination, in order to request actual business records and recalculate income. A DCC-90F Notice of Appointment/Request for Information is sent to the applicant requesting the business records for the last three (3) months, thirty (30) days prior to the end of the three (3) month period.

Example 1: Martha makes and sells flower arrangements at a local flea market. She has considered this a hobby and has never kept records or filed taxes on any profits she has made from this enterprise. Martha can write a statement as verification of the income since she does not have records. However, she cannot claim any deductions unless she can provide receipts or records for her expenses related to the business.

The service agent will calculate the income as outlined in MS 6.10 Calculating Self-Employment Income, document why Martha's statement was accepted, inform Martha that she must keep and provide her records for any future actions, and enter a case change for three (3) months from date of eligibility. Thirty (30) days prior to the end of the third (3rd) month the service agent will send a DCC-90F requesting the business records from Martha. If returned the income would be recalculated for the new verification. If not returned then the case will be terminated.

Example 2: Jonas is a carpenter who subcontracts with Smith and Johnson homebuilders. He has provided a written statement from the company showing the amounts paid to him in the prior two months. However, no taxes are being withheld from his pay. This is self employment and the verification is not acceptable as it may not be representative of his ongoing income. The Service Agent will send a DCC-90F to Jonas and request his tax records for the prior year.

6.10 Calculating Self-Employment Income (Revised 08/01/09)

The amount of self-employment that is countable to an individual is the total amount of earnings before deductions reduced by any allowed operational expenses, which are listed below. Self-employment income will be counted and verified for the period in which it was received.

Self-employment income remains countable as long as the individual is actively involved in or pursuing income from the self-employment enterprise, regardless of market and seasonal fluctuations.

Example: Jonah subcontracts as a carpenter with a home builder. He has provided his income taxes for the prior year which have been used to determine his income. During his eligibility period Jonah contacts the local service agent to report a reduction in his income. The service agent determines that Jonah is still working as a carpenter and that his income is reduced currently due to weather conditions and because the builder has not had any work for him. Due to the fact that these are seasonal and market fluctuations with self-employment no change would be made to the case.

The DCC-90J Self-Employment (Non-Farm) Income Worksheet or DCC 90K Self-Employment (Farm) Income Worksheet is used to document self employment income and deductions.

Enterprise in operation for more than a year

If the self-employment enterprise has been in operation for at least one (1) year, the service agent staff will enter the verified gross income and allowable deductions for the last calendar year into KICCS. KICCS will automatically calculate the countable monthly income. Do not round.

Enterprise in operation for less than a year

If the self-employment enterprise has been in operation for less than a year the service agent staff will need to determine the number of months that the individual has been involved in the enterprise. Divide the gross income by the number of months the business has been in operation. Do not round. This is the gross monthly income. Divide the allowable deductions by the number of months of operation. Do not round. This is the monthly deductions for self-employment. Subtract the monthly deductions from monthly income. The difference is the countable income, or profit.

Operational Expenses

Operational expenses are the cost of carrying on a trade or business. To be deductible, an operational expense must be connected with or pertaining to a trade or business.

Operational expenses, based on deductions allowed by the IRS, are outlined on the DCC-90J and DCC-90K. Either the DCC-90J or DCC 90K is completed at the time that eligibility is determined for an applicant with self employment income. Depreciation, although an expense allowed by the Internal Revenue Service (IRS), **is not** an allowable deduction for purposes of determining eligibility for subsidized child care.

Deductions allowed by the Internal Revenue Service (IRS) for non-farm business expenses include the following:

- Advertising;
- Car and truck expenses;
- Commissions and fees;
- Contract labor;
- Depletion;
- Employee benefit programs;
- Insurance (other than health);
- Interest (mortgage and/or other);
- Legal and professional services;
- Office expense;
- Pension and profit-sharing plans;
- Rent or lease of vehicles, machinery and equipment and other business property;
- Repairs and maintenance;
- Supplies;
- Taxes and licenses;
- Travel, meals and entertainment;

- Utilities;
- Wages (less employment credits);
- Other expenses;
- Expenses for business use of the applicant's home.

Deductions allowed by the Internal Revenue Service (IRS) for farm business expenses include the following:

- Car and truck expenses;
- Chemicals;
- Conservation expenses;
- Custom hire (machine work);
- Employee benefit programs;
- Feed;
- Fertilizer and lime;
- Freight and trucking;
- Gasoline, fuel and oil;
- Insurance (other than health);
- Interest (mortgage and/or other);
- Labor hired (less employment credits);
- Pension and profit-sharing plans;
- Rent or lease expenses (vehicles, machinery, equipment and other-land, animals, etc.)
- Repairs and maintenance;
- Seeds and plants;
- Storage and warehousing;
- Supplies;
- Taxes;
- Utilities;
- Veterinary, breeding and medicine
- Other expenses (such as accounting/record keeping fees, attorney fees or advertising)

6.11 S Corporation Consideration (Revised 04/01/09)

An S Corporation is a type of closely held corporation which has more than 50% of the value of outstanding stock is owned (directly or indirectly) by five (5) or fewer individuals in the last half of a tax year. The income of these closely-held corporations is reported together with the household's other income on its tax Form 1040 schedule E and other supplements.

Service agent staff is to request and review the following information in order to make an accurate determination of income for an individual in an S Corporation.

- Tax records for the previous calendar year
- Verification of any payments made as wages to the applicant from the corporate account.
- Verification of both the applicant's and the corporation's bank records for the previous calendar year.

The countable income from an S Corporation is the applicant's share of profits, any wages drawn off the corporation by the applicant or other household members, and any disbursements from the corporate account to the applicant in the form of cash, check, or payment of personal expenses. (See **Example**)

Example: Johnny is the sole proprietor of a small photographer business and files his taxes as an S Corporation. In the prior year the corporation profited \$12,000.00 after business expenses. Johnny has issued himself a paycheck of \$500.00 twice each month as an employee of the corporation. Additionally, review of the corporation bank records for the prior year show that Johnny drew money from the account for personal use in the amount of \$600.00 on four (4) different occasions.

Johnny's income would be calculated as follows:

- \$12,000.00 would be entered on the system for self-employment income as the annual profits of the company.
- The prior two months of income would be entered as wages on the employment screens.
- The four (4) disbursements would be totaled to \$2,400.00 and then averaged from the annual amount by dividing by twelve (12) for a total monthly amount of \$200.00. This amount would be entered as Other Unearned Income.
- The monthly countable income for the case would be \$1,000.00 for self-employment, \$1,000.00 for wages, and \$200.00 for Other Unearned Income for a total countable income of \$2,200.00.

6.12 Unearned Income (Revised 08/01/09)

Consider the following as unearned income if received by an adult in the family even if diverted by the provider of the payment to a third party for household expenses:

- Assistance payments from federal or federally aided public assistance programs such as Supplemental Security Income (SSI), K-TAP, or other assistance programs based on need.
- Annuities, lottery winnings, pensions, retirement, Veteran's or disability benefits, including Agent Orange payments issued by the Department of Veterans Affairs, worker's compensation, unemployment insurance benefits, social security benefits, and strike benefits.
- Count support or spousal support payments made directly to the household by nonhousehold members or by the Division of Child Support (DCS) as income.
- All money payments from any source which can be construed as a gain or benefit, including, but not limited to royalties, payments from government sponsored programs unless otherwise excluded, and contributions from individuals not living with the family.
- Prorate over a twelve (12) month period annually paid annuities and lottery winnings (if entered as Other Income). KICCS can figure monthly income once gross yearly annuities or lottery winnings (if entered as Other Income), are entered into the system.

6.13 Deductions from income to determine Adjusted Gross Income

Prior to comparing the family's gross income to the allowed scale for size and type in Section 6.2, Defining the Family Size for Determining Income Eligibility deductions are allowed for:

- Actual legally obligated child support payments paid by the head of household or responsible adult to a child living outside the home. The amount of the monthly deduction is determined in the same manner as when calculating the monthly amount of child support. See Section 6.6, Child Support and/or Spousal Support.
- Operating expenses incurred in a self employment enterprise. See Section 6.10, Computing Operational Expenses.

6.14 – Income Guidelines (Revised 04/01/09)

The family applying for low income subsidized child care services must have gross countable adjusted income at or less than 150% of the federal poverty level. Income of children is not considered.

2009 150% - FPL Income Limits	
HH2	\$1,821
HH3	\$2,289
HH4	\$2,756
HH5	\$3,224
HH6	\$3,691
HH7	\$4,159
HH8	\$4,626
HH9	\$5,094
HH10	\$5,561
HH11	\$6,029
HH12	\$6,496

Families who have been approved for child care services remain income eligible as long as gross countable adjusted income is less than or equal to 165% of the federal poverty level.

2009 165% - FPL Income Limits	
HH2	\$2,003
HH3	\$2,518
HH4	\$3,032
HH5	\$3,546
HH6	\$4,060
HH7	\$4,575
HH8	\$5,088
HH9	\$5,603
HH10	\$6,117
HH11	\$6,632
HH12	\$7,146

Chapter 7

Child Care Services

7.1 Eligible Providers

Families may select an eligible child care provider of their choice. Parameters regarding the type of permitted child care for cases approved for child protective service reasons by Protection and Permanency staff may be indicated on the DCC-85 Approval for Child Care Assistance. Protection and Permanency staff may limit the choice of a child care provider to a licensed or certified center or home depending on the safety concerns present in the family's situation.

In order to receive payment from the CCAP (Child Care Assistance Program) a provider must be a:

- Child care facility with a current license issued by the Office of the Inspector General (OIG), Division of Regulated Child Care (DRCC);
- Family child care home provider certified by the OIG, DRCC, to care for up to six (6) unrelated children;
- Child care provider approved and registered by service agent staff to receive CCAP payments and care for no more than three (3) unrelated children. Requirements and procedures for registered providers are located in Chapter 12 Registered Providers.

7.2 Determining Need for Child Care (Revised 08/01/09)

In order to qualify for child care services, the family must need child care for one (1) or more of the following reasons:

- To maintain employment;
- To support child protective services;
- To attend school, if a teen parent;
- To attend school or job-training activities as required participation in Kentucky Works

For families who are approved for child care due to employment, services may be provided to cover time spent in educational activities.

Child care must accommodate the work and school schedule of the adults and allow for dropping off and picking up children, commuting time. Additionally, there may be circumstances that keep the child in care for more hours than usual, such as a child suspended from school, school closed for damages, and snow days.

For low income cases, the DCC-90I Work and School Schedule completed by the adult can be used to determine the child care arrangement that best meets the needs of the family.

For cases approved by the DCBS worker, information provided on the DCC-85 or DCC-85A is used to determine the hours and days of the week care is needed.

Full day care is defined as five (5) or more hours per day. Part day care is defined as less than five (5) hours per day. Payments to all providers are made based on the child's daily attendance.

7.3 Part-Day or Partial Week Care

Child care services will be paid according to the parent's schedule. The parent may select services from a licensed, certified or registered provider. If a parent selects services from a provider who offers full-week care, then the parent is responsible to pay the difference.

Example: Mother works Monday, Wednesday, and Friday 8-5. She wants to use Kiddy Corner that offers only full week care. Full day care is authorized Monday, Wednesday, and Friday at Kiddy Corner. The client is responsible to pay the remaining charges to Kiddy Corner.

7.4 Multiple Providers

The schedule of the adult or child may require the use of more than one (1) provider to meet the need for child care.

Example: Mother works days Monday through Friday and attends college classes three (3) nights per week. Her children attend Kindercare while she works. Their grandmother, a registered provider, watches them in the evening when their mother goes to class. Full day care, Monday through Friday, is authorized for Kindercare. Part day care is authorized three (3) days per week to the grandmother.

Example: Children are school aged and attend a licensed after-school program when school is in session. During Christmas break, they are cared for by their aunt, a registered provider. Part-day care is authorized to the after school program while school is in session in December. For the two (2) weeks school is out, the aunt is authorized to receive full day payments.

Example: Mother works a fluctuating schedule at McDonald's that includes some weekends. Her children attend an after school program during the week. On weekends, their aunt, a registered provider, cares for them. Part day care is authorized for the after school program, and depending on the hours scheduled on the weekends, full day or part day care is authorized for the time spent in the aunt's care.

7.5 Absence Policy (Revised 08/01/09)

Some licensed and certified child centers operate on a full week schedule and charge a full week rate regardless of the number of days the child attends. CCAP payment is based on the absence policy applicable to the type of child care provider.

Payment is authorized for days the child is physically present in the licensed child care center, certified home, or, in the care of a registered provider. Providers indicate on the DCC-97 Provider Billing Form all days when care is not provided due to the child's absence.

Payment is not authorized to a licensed provider for more than five (5) absences per child per month unless the additional absences were due to:

- A death in the extended family of the absent child
- Medical or mental condition of the child
- Illness of the parent
- Court requirement not related to custody
- A disaster, such as a fire, flood, or other similar natural occurrence.

The family and licensed provider are responsible to verify in writing the above exceptions. Verification is maintained with attendance records for a five (5) year period by the licensed provider.

Payment is not authorized to a certified family care home for more than five (5) absences per child per month.

Payment is not authorized to a registered child care provider for any absences.

7.6 Child Care Certificate to Access Child Care Services (Revised 08/01/09)

Families who are determined eligible for child care subsidies by service agent staff are provided with a DCC-94.1 Notification of Eligibility and Certificate for Child Care Services. This notice is proof of eligibility and is used by the client to access child care services from a child care provider. A copy of the DCC-85 or DCC-85A is provided to families approved to access child care services from a child care provider.

Families have thirty (30) days from the date of approval for child care services to choose a provider. Failure to access child care services within this time frame will result in a DCC-105 Notice of Adverse Action proposing discontinuance being issued and subsequent closure of the child care assistance case by the service agent staff.

When the family has chosen an approved provider, the service agent staff will enter enrollment information on the KICCS system and generate a DCC-94 Child Care Service Agreement and Certificate. This service agreement confirms enrollment, rates, children cared for, schedules, and family co-payments. It is sent to the child care provider with a DCC-94C Provider Notification/Certificate requesting that it be signed and returned within ten (10) days. Payment cannot be authorized to a provider without their representative signing and returning the service agreement to service agent staff.

If the DCC-94 is not returned within the ten (10) day timeframe, the worker sends a DCC-105 to the client. The DCC-105 proposes that the provider will no longer be eligible for payment for specified children without the return of the signed DCC-94 in

the next ten (10) days. If the DCC-94 is not returned within twenty (20) days of the enrollment start date the worker will enter an Enrollment End Date in KICCS and the provider will not receive payment. There is no exception to this for DCBS approvals as the DCC-85 (page 3) or the DCC-85A indicates payments will be made if the provider is approved to receive payments on the client's behalf.

7.7 Consumer Education

Among the goals of the Child Care Development Fund (CCDF) is to encourage states to provide consumer education information to help parents make informed choices about child care.

Parents are to be informed about:

- The availability of Resource and Referral Agencies in their community to assist in locating and assessing child care services;
- Choosing quality child care and provided a DCC-112 Selecting Quality Child Care for My Child;
- KRS 199.898 Rights for children in child-care programs and their parents, custodians, or guardians-Posting and distribution requirements.

Chapter 8

Case Management and Continuing Eligibility

8.1 Overview - (Revised 08/06/08)

Service Agent staff is responsible for the ongoing management of child care assistance cases. This responsibility includes:

- Processing changes in circumstances that impact eligibility and/or co-payments reported by the family or DCBS worker.
- Updating KICCS and the child care case record when demographic changes occur such as residence, phone numbers, etc.
- Processing provider changes which include terminating or initiating enrollment, sending out the revised service agreements, DCC-94 Child Care Service Agreement and Certificate, preparing and routing provider notices.
- Preparing and mailing client notices.
- Identifying and processing work basket items.
- Accepting and routing service complaints.
- Identifying, calculating, and initiating collection on overpayments.
- Facilitating access to child care by providing resource referrals.
- Representing the Cabinet at service appeals.

8.2 Changes in Eligibility Factors (Revised 12/01/08)

Applicants and recipients are notified of their responsibility to report changes in circumstances within ten (10) calendar days and by reviewing and signing the DCC-91 Client Rights and Responsibilities Sheet.

All recipients of child care assistance are required to report a change in circumstances that effects eligibility or benefit amounts and includes:

- Beginning or ending employment
- A change in an employer or obtaining an additional job
- An increase or decrease in the number of work hours
- An increase or decrease in the rate of pay
- An increase or decrease in family members
- A change in self employment activities
- A change in the scheduled hours care is needed
- Beginning or ending an educational activity
- A change in child care providers
- A change in address or residence
- A change in marital status
- Beginning or ending receipt of any type of unearned income

8.3 Required Action on Reported Changes

A worker can be notified two (2) ways that a case change is needed to be processed. The client can report that a change has occurred or the system will notify the worker in the Work Basket, filter option Case Change, that a case change will need to be processed.

- The case change process begins with the worker looking up the case in KICCS.
- The worker selects 'Add a New Contact' for tracking purposes.
- On the 'Eligibility Main' screen the worker reviews the 'Interview Date' and determines if it needs to be adjusted. For example, the client reports on September 6, 2008, a job change, but the worker doesn't enter the change until September 10, 2008. The interview date is entered as September 6, 2008.
- The worker clicks the 'Case Change' button.
- The worker makes necessary changes to the case.
- If verification is required, the worker requests the items be returned on the 'Documents Needed' screen, completes and mails the DCC-90F Notice of Appointment/Request for Information. If all verification is received with the report of the change indicate 'No Documents Needed'.
- When all verification is received, review 'Enrollment Summary' and evaluate if the schedules or enrollments need to be changed.
- Re-allocate co-payments and print new certificates, if required.
- Send appropriate notice to the client and provider.

8.4 Known Changes within an Eligibility Period

The KICCS system is programmed to identify known changes in which the age of a case member impacts eligibility. These include:

- A child's thirteenth (13th) birthday when special needs are not present.
- A child's nineteenth (19th) birthday when special needs are present.
- A teen parent's twentieth (20th) birthday.

Forty-five (45) days prior to the applicable birthday, an item will be automatically posted to the work basket alerting the responsible service agent staff of the known change.

Aside from these system identified changes, future known or anticipated changes to the family's circumstances that impact the provision of child care services are flagged for action by service agent staff by entering a case change date and documenting in case comments the reason for the change. The case change will appear in the work basket forty-five (45) days prior to the case change date previously entered by the service agent staff. Depending on the circumstances the service agent staff may send a DCC-90F to the family requesting verification.

Example:

Client reports at her re-determination interview in May that she will not be attending summer school classes and won't need child care services for the time spent at school. She will continue to work for her current employer. She does plan to return to school in the fall and will need care for her children while she attends evening classes. The next term starts September 20. The worker enters a case change date of September 20 and case comments to check on school enrollment. The case change appears in the

work basket forty-five (45) days prior to September 20. The service agent staff mails a DCC-90F requesting the client return a completed DCC-90A Certification of School Enrollment and DCC-90I Work and School Schedule if she plans to return to school and needs child care services.

Example:

Client has a six (6) month probation at work with an anticipated raise date of October 30. The service agent staff enters a case change date of October 30 and case comments to review the employment situation. The case change will appear in the work basket forty-five (45) days prior to October 30, prompting the service agent staff to contact the client to confirm her employment situation.

8.5 Time Frames for Processing Changes

Changes must be reported within ten (10) calendar days of when the change is known by the family. Failure to report a change timely could result in erroneous benefits being issued and a subsequent overpayment and possible referral for fraud investigation.

Service agent staff is required to act on reported changes within ten (10) calendar days of the report.

Families receiving child care assistance must be given ten (10) calendar days notice prior to a negative action being taken by the service agent staff. A DCC-105 Notice of Negative Action is used to notify the family of the change and effective date of reduced or discontinued benefits.

Depending on the nature of the reported change, verification may be required. The DCC-90F is used to request needed information from the family. For changes reported within an eligibility period the family is allowed ten (10) days from the date on the DCC-90F to provide the requested information.

Example: Client reports on October 12 she has obtained a second job and reduced the hours of her current employment. The worker must send a DCC 90F requesting verification of the changed information to the client no later than October 22. The worker sends the request October 15 and allows the client until October 25 to provide employment verification and a new schedule of child care need (if it changes).

If the client fails to provide requested information, on October 26th a DCC-105 proposing discontinuance of child care benefits is prepared and provided to the recipient. The client is allowed an additional ten (10) calendar days to comply with the request before benefits are terminated.

8.6 Effective Dates

The effective date of a change to an active case is dependent on whether it impacts the family positively or negatively.

For changes that result in a positive action to the case, such as a decrease in co-payment or adding a child, the effective date is the first administratively feasible date.

- If adding a new member, this will be the date the application to add the new member is signed if all technical and financial eligibility factors are met.

Example: Family applies for assistance for a newborn on June 11. The baby is starting day care the same day application is made. The worker requests the baby's birth verification and proof of household composition on a DCC-90F and gives the family ten (10) days to provide the requested information. On June 16, all requested information is returned and the worker processes the case change. The additional member causes the required co-payment to decrease. The revised service agreement will indicate a start date of June 11 and the new lower co-payment for the baby and other children in the case.

- For other changes that decrease the co-payment (note exception* below) the effective date of the change is the date the change was reported by the client if all requested documentation of the change is provided.

*Changes in the eligibility type for one (1) or more children which results in the co-payment being waived for the family as a result of the receipt of a DCC-85 Approval for Child Care Assistance form from Protection and Permanency staff. The effective date cannot precede the last Provider Billing Form submitted date. Changes cannot be made to retroactively waive a co-payment or change an eligibility type.

Example: A family reports on June 19 that the adult will no longer receive alimony payments and provides a letter from the ex-spouse stating payments stopped in May due to a revised court order. Action is taken by the worker on June 25 to remove this income from the case which results in a reduction in the required co-payment. The revised service agreement will indicate a start date of June 19 for the reduced co-payment amount.

* **Example:** A mother and her two (2) children have an active child care assistance case based on her low income employment. On June 25, the worker receives a DCC-85 due to protection needs of one (1) of the children and waiving the co-payment. The DCC 85 indicates a start date of May 15. Payment for the month of May has already been made. The revised service agreement will indicate a start date of June 1 for the waived co-payment for both children.

Changes that reduce benefits to the family, such as removing a child from the assistance case, or increasing the co-payment require ten (10) days advance notice to the family prior to the negative action being processed. A DCC-105 is sent to the family in advance of action being taken on the system to reduce or discontinue child care benefits. Day one (1) of the advance notice period is the day after the date on the DCC-105. The ten (10) day period expires at the end of the tenth day following the date on the notice. If the tenth day is a weekend or holiday, the advance notice expires on the next work day. The effective date of the decreased benefit is the first day after the expiration of the ten day notice period.

Example: Client reports on June 11 that her six (6) year old has permanently moved back with his father. Worker does not require documentation as this will decrease benefits (no care for the son) to the family. A DCC-105 is mailed to the family on June 11. The notice expires on June 21. The effective date of the decreased benefit is June

22. A client may concurrently report positive and negative changes that must be considered separately and might have different effective dates.

Example: Client reports the birth of a baby and an increase in income. An application is taken on June 11 to add the child who has started care that same day. The client is provided with a DCC-90F and given ten (10) days to bring in proof of increased wages, birth certificate, etc. This information is returned on June 21. The worker processes the case and determines the co-pay will increase. A DCC-105 is mailed to the family advising the co-payment will increase effective July 3. (The ten (10) day notice started on June 22. The tenth day is July 1, a Sunday, so the advance notice expires on Monday, July 2. The effective day of the increased co-payment is July 3). The baby will be added effective June 11; however the co-payment increase will be effective July 3.

For changes reported during the re-determination process, the effective day is the first day of the new re-determination period. This date is the interview date if the changes are positive or there are no changes to the case. If there are negative changes to be made, a DCC-105 is sent to the family to allow for ten (10) day notice prior to benefits being decreased. The changes are effective after the ten (10) day notice to the client or the first day of the new eligibility period if there is less than ten (10) days left in the current eligibility period.

If the day falls on a weekend or holiday, the next business day is considered the last day prior to action being taken or information provided.

8.7 Provider Changes (Revised 09/01/09)

Changes in providers are processed by service agent staff. If the family chooses an unregulated provider, follow processes outlined in Chapter 12 Registered Providers to register the new provider if appropriate.

A DCC-94 is issued to the new provider with a DCC-94C Provider Notification/Service Agreement Letter advising the agreement be signed and returned within a ten (10) day time frame. Failure to return the agreement within the time frame results in a DCC-111.1 Parent Notice of Need to Change Child Care Providers being sent to the family advising that the provider has not been approved to be paid for child care services. The client is also notified to choose a new provider within ten (10) days.

When services to a particular provider will cease due to client actions, such as choice of a different provider by the family, discontinuance of child care assistance to the family, or aging out of a child a DCC-94D Provider Notification of Intent to Terminate Payment is sent to the provider.

Provider Closures

When services to a provider will cease due to the provider's failure to meet regulatory requirements, notice is sent to the provider from the regulatory agency. For licensed and certified providers, denial, revocation and suspension notices are generated by the Division of Regulated Child Care. Notice is sent by service agent staff to families of CCAP children cared for in the closed facility or home advising that a different provider must be chosen. The DCC-111.1 Parent Notice of Need to Change Child Care Providers is used for this purpose.

When a registered provider is closed or revoked, service agent staff generate a DCC-110 Notice of Negative Action on Approved Provider and DCC-111 Parent Notice of the Need to Change Child Care Providers to advise the provider and parent that payment will no longer be issued to the provider and a different provider must be chosen.

8.8 Required Documentation (Revised 09/01/09)

Case notes indicate any action taken to effect a change in eligibility, need for care, co-payments, or providers. Changes that increase benefits to the family, such as the addition of a child or changes that decrease a co-payment obligation, require verification. The DCC-90F is used to request needed information from the family.

Examples:

Family reports another child in the home. A DCC-90F is sent to the family requesting that proof of birth and household composition be provided. The child is added when all necessary information is provided and eligibility for the child is established.

Family reports a change in employment and decrease in wages. A DCC-90F is sent to the family requesting proof of employment from the new employer and termination from the previously reported job as well as completion of an updated DCC-90I Work and School Schedule. The change is processed when wage information is provided. The need for child care is reviewed, if verification indicates changes are appropriate, with the family.

Reported changes with an unknown impact to the case require verification prior to processing.

Example:

Client reports getting married. Her husband is a college student and works a part time job. He has children from a previous marriage who live with him and need care. A DCC-90F is sent to the client requesting proof of birth for husband's children, social security numbers for new members (optional), proof of household composition, proof of husband's employment and school enrollment, and a DCC-90I. The change is processed when all requested information is provided. If the cumulative effect of all changes is an increase in the required co-payment, a DCC-105 is sent to the family advising of the effective date of the increase. If all information is provided as requested and technical and financial eligibility is established for the case the new members are added effective with the date of report from the client.

Reported changes that negatively impact the technical or financial eligibility of the case do not require verification prior to sending a DCC-105 to the family.

Example:

Client reports she got married and is moving to Nevada. A DCC-105 is mailed proposing discontinuance of the child care case.

8.9 Re-determinations (Revised 12/01/08)

Cases approved by service agent staff are assigned an eligibility period of twelve (12) months.

Cases due for a re-determination of eligibility appear in the work basket of the service agent staff assigned responsibility forty-five (45) days prior to end date of the eligibility period.

Processes for re-determining eligibility for cases approved by DCBS using the DCC-85 or DCC-85A are outlined in Chapter 3, Section 3.10, Re-Determination Process for DCBS Approvals.

Within fifteen (15) days of receiving notification of a coming due re-determination, the worker will schedule and send a notice of impending expiration of eligibility and an appointment to the family on the DCC-90F. Appointments are scheduled to allow the family time to appear for an interview and provide all information needed to process the case prior to the end of the eligibility period.

At re-determination all eligibility factors are reviewed and updated as needed. Forms required to be completed and signed at re-determination are:

- DCC-90 Application for Subsidized Child Care Assistance
- DCC-91 Client Rights and Responsibilities Sheet
- Any changes in the family's situation are verified and considered. **All sources and amounts of income and deductions must be re-verified at re-determination.**

If needed information is not provided at the time of the re-determination interview, it is requested on a DCC-90F with a return date no later than the last date of eligibility.

8.10 Required Notice to Client

The client is mailed a DCC-105A Notice of Client Eligibility confirming eligibility, household members, income, and employee information when:

- An application for assistance is approved
- A re-determination is approved
- A reported change that does not terminate eligibility is processed

A copy of the notice is filed in the client's case file.

Chapter 9

PAYMENTS

9.1 Overview (Revised 09/01/09)

Child care subsidy payments are issued to providers through the automated Kentucky Integrated Child Care System (KICCS). Payment for subsidized child care services is determined by eligibility, need for care and provider charges, and is based on the child's attendance.

9.2 DCC-94 Child Care Service Agreement and Certificate (Revised 09/01/09)

KICCS allows for the printing of the DCC-94 Child Care Service Agreement and Certificate which authorizes child care assistance to be paid. The DCC-94 specifies the child(ren) enrolled with the provider, each child's schedule, the state reimbursement rate, the parental co-pay, and the legal obligations of the service agent, the parent/guardian, and the child care provider. Service agent staff process the DCC-94 as follows:

- Prints the DCC-94 from KICCS upon determination of eligibility and enrollment of the child(ren).
- Reviews the DCC-94 with the parent/guardian, answers any questions and both the service agent staff and the parent/guardian sign the form. Service agent staff's return address and phone number shall be included on the form.
- Sends the original DCC-94 to the child care provider with the DCC-94C Provider Notification/Service Agreement Letter for him or her to sign and return the form to service agent staff within ten (10) calendar days, in order to assure payment for services.
- Upon return of the signed DCC-94, service agent staff files the form in the case record, and enters the certificate as received in KICCS. **Note: the DCC-94 must be entered as received in KICCS before a payment can be made.**

Service agent staff shall advise all parties that **no** payments will be made until the DCC-94 has been signed by the parent/guardian, service agent staff, and the child care provider, and returned to the service agent. Parents' signatures are not required on the DCC-85 or DCC-85 approved families.

If the DCC-94 is not returned within ten (10) calendar days on initial approvals, service agent staff shall send a DCC-111.1 Parent Notice of Need to Change Child Care Providers notifying the parent that the provider has not been approved for child care services due to failure to return the signed DCC-94. A copy of the form sent to the parent shall be filed in the case record and the action noted in Case Comments in KICCS.

9.3 Payment Process (Revised 09/01/09)

The DCC-97 Provider Billing Form (PBF) is a KICCS generated form that is submitted by approved providers to request payment for child care services. The DCC-97 is

generated, but can be printed by payment period, provider or service area. KICCS allows the option of selecting and printing the Provider Billing Forms **by service area**. Service agent fiscal staffs are responsible for printing and mailing the DCC-97 to approved providers **starting** on the first work day of each month to collect attendance information to be completed within three (3) working days.

DCC-97 is processed based on where the child resides.

Provider billing payments for the prior month are processed by the service agent after the 1st day of each month, within ten (10) calendar days of receipt. Workers should notify all providers with inquiries about the timeframe for payment to reference KRS Chapter 45.453 Budget and Financial Administrations, Time Period for Payment.

Providers shall receive payment within thirty (30) working days of processing the PBF, except when there are payment discrepancies in the payment amount billed and the amount owed to the provider. In these instances, the Cabinet is not held to the thirty (30) day time period for payment.

The provider is required to enter codes as exceptions for any day(s) the child(ren) was scheduled to attend but was absent, initial each page, sign and date the form and return the form to service agent fiscal staff within five (5) calendar days of receipt. The exception codes, per type of providers, are listed on the PBF cover letters and in Section 9.4, PBF Exception Codes.

Upon receipt of a completed and signed DCC-97, service agent fiscal staff opens the billing form in KICCS and enters any exceptions. Service agent fiscal staff completes PBF Notes (if applicable), and enters the total payment amount in the area designated on the last page of the DCC-97.

Note: The DCC-97 Provider Billing Form (PBF) is still referred to as an EAV (PBF) in KICCS and that is why EAV (PBF) is still used for the billing form in manual references to processing the billings in KICCS.

9.4 PBF Exception Codes – (Revised 09/01/09)

The DCC-97 displays the expected attendance schedule and a blank exception line. Exceptions are changes from the expected schedule. If a child's attendance is different from the expected schedule, the provider must enter exception codes. The exception codes for each provider type are as follows:

Licensed Provider

01-full day

02-part day

40-excused absence (five (5) per month permitted without documentation of the reason)

43-holiday, closed but payment requested

45-extraordinary absence (for absences which exceed five (5) days, written documentation of illness (except for maternity leave), natural disaster, death in the family or court order must be on file and retained with the provider's daily attendance sign-in sheets)

50-unexcused absence – any absence which exceeds five (5) per month and is not documented by one of the four (4) reasons shown for code 45

55-closed, no payment requested

60-terminated care

Certified Providers

01 - full day

02 - part day

40 - excused absence (five (5) per month permitted)

43 - holiday, closed but payment requested

50 - unexcused absence – any absence in excess of five (5) per month

55 - closed, no payment requested

60 - terminated care

Registered Providers

01 - full day

02 - part day

50 - absence

60 - terminated

For children whose enrollment is entered into KICCS after the PBF has been printed and mailed for the payment period, a billing form is generated in KICCS. KICCS tracks PBFs that need to be sent and the PBFs are printed in the next run by payment period. Once a child's billing form is printed, mailed, and signed and returned by the provider, it can be processed for payment in KICCS.

Service agent staff **shall not** make payments or accept adjustment requests ninety (90) or more days after the service month.

Examples for evaluating coding and authorizing payment of the PBF:

Child is scheduled for PD Monday-Thursday and FD on Friday. A schedule note is entered specifying this schedule in the system. The provider requests FD payment for a Monday and indicates the reason for the request on the PBF. Payment is allowed for FD on that Monday due to the parent's schedule for that particular day.

A school age child is scheduled PD Monday-Friday. The provider requests FD payment for a Friday due to the child being suspended from school and indicates this on the PBF. Payment is allowed as this accommodates the parent's schedule and the child's need for care.

Child is scheduled for FD Monday-Friday. Provider requests PD for a Wednesday. Payment is authorized as PD for that Wednesday as the need for that day was PD only.

Child is scheduled for FD Monday-Friday. The provider indicates the child's enrollment was terminated on the tenth by entering code '60' (terminated care) on the PBF. The remainder of the month is not payable as the child is not enrolled. The worker enters code '55' (no payment requested) in the remainder of the month and inserts a note that the enrollment has ended with that provider.

Child is scheduled FD Monday-Friday with a licensed provider and has a back-up provider. The child is ill on a Tuesday and is cared for by the back up provider. The licensed provider reports the absence and receives payment for the day as this is the first of the five (5) allowed excused absences in a month. The back up provider is paid as they reported attendance for that Tuesday on their PBF.

*Note: If the child's eligibility has been approved, payments are made to accommodate the parent's work/school/ training schedule and allow the parent to maintain their employment or continue to participate in an approved activity.

9.5 Prior Period Adjustment (PPA) (Revised 09/01/09)

In limited circumstances when a child care provider is paid incorrectly, a Prior Period Adjustment (PPA) is processed in KICCS. A PPA occurs when the provider is underpaid and the child who was involved in the underpayment has a paid PBF for the time period in question. If the child who was involved in the underpayment is no longer active or attending the center or home, a PPA can only be processed by field staff if there was active enrollment with that child and provider for the time period in question, otherwise payment is issued by the Division of Child Care. See Chapter 15 Improper Payments, Section 15.2, Underpayments.

Only one (1) PPA can be entered in KICCS per child, per provider, per month.

9.6 Remittance Statements (Revised 09/01/09)

Service agent fiscal staffs are responsible for sending the provider a copy of the Remittance Statement. KICCS will generate the remittances automatically for each service area after every payment run and the remittance report will be available for fiscal staff to print and send the next morning. Providers can request a duplicate remittance from the service agent staff.

The remittance statement provides an explanation to the provider of the payment amount for each child and allows the provider to review the information and determine if the payment amounts are correct. In the event that payments are incorrect, the provider must contact the service agent within thirty (30) calendar days of receipt of the Remittance Statement.

9.7 Direct Deposit/ U.S. Bank ReliaCard VISA Electronic File Transfer (EFT) of Child Care Provider Payments - (Revised 09/01/09)

All providers can request an Electronic Payment Authorization Form for electronic deposit of vendor payments either from service agent fiscal staff or DCC central office staff. DCC staff will process the initial request.

New providers will have this option at time of enrollment. Any changes must be submitted directly to the DCC central office. Upon date stamped receipt of a completed DCC-93 Authorization for Electronic Deposit of Vendor Payment (change form), DCC staff will process the request. Providers will be notified by letter that authorization for EFT of child care assistance reimbursement has been successfully processed. If the DCC- 93 is incomplete, it will be returned to the provider with a request for the additional information.

The DCC-93A Electronic Payment Authorization Form **MUST** contain the following information in order to be properly entered:

- Bank/Institution Name;
- ABA ("American Bank Association") Routing/Transit Number;
- Bank Account Number and Account Type (Savings, Checking);
- Approved Payee Name, Title, Signature, Date;
- Payee Address (for verification).

From the date of initial enrollment in Electronic File Transfer (EFT) of Child Care Provider Payments-Direct Deposit/U.S. Bank ReliaCard VISA Electronic File Transfer (EFT) Child Care Provider Payments, providers can **only** request changes to their choice of payment option a total of three (3) times within a calendar year unless there is a change in provider type or provider number (registration, certification, or license) or extenuating circumstances which are determined by DCC.

The provider may choose to have the form completed by their bank or they may attach a blank check with the word "VOID" printed across the face of the check.

9.8 Payment Rates and Definitions

Rates for payment of child care services include a base rate for each type of care as well as incentive/special rates (if applicable). Rates are based on a full day, which is defined as care five (5) to eighteen (18) hours per day, or a part day, which is defined as less than five (5) hours of care per day. Providers for families receiving child care assistance must agree to accept the applicable rate(s) as full payment of care for up to an eighteen (18) hour period. The total number of hours a child can remain in care shall not exceed eighteen (18) consecutive hours of care in a twenty-four (24) hour period even if the child is with more than one (1) provider in that eighteen (18) hour period of time.

A parent who leaves a child past the provider's established closing time shall be responsible for payment of a late fee provided all parents are expected to pay the late fee.

To the extent funds are available the cabinet makes payments as listed in the DCC-300 Kentucky Child Care Maximum Payment Rates Chart.

The rates in the DCC-300 represent the maximum payment rates on a per day, per child, per child care provider basis. (See chart on the next page.)

Out of state providers will be paid the child care rate established for the county in which the child resides.

9.9 Kentucky Child Care Maximum Payment Rate Chart (Revised 09/01/09)

CENTRAL REGION means Adair, Anderson, **Boone, Bourbon, Boyle, Campbell**, Carroll, Casey, **Clark**, Clinton, Cumberland, Estill, **Fayette, Franklin**, Garrard, Green, Harrison, Henry, **Jefferson, Jessamine, Kenton**, Lincoln, **Madison**, McCreary, Mercer, Nicholas, Owen, Powell, **Pulaski**, Russell, Shelby, Spencer, **Taylor**, Trimble and Wayne counties.

	Licensed				Certified				Registered			
	Full Day		Part Day		Full Day		Part Day		Full Day		Part Day	
	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban
Infant/Toddler	24	20	18	14	21	18	17	14	13	13	8	8
Preschool	21	17	15	10	19	17	15	10	12	12	7	7
School-Age	20	16	13	9	18	16.75	13	10	11	11	6	6

EAST REGION means Bath, **Bell, Boyd**, Bracken, Breathitt, Clay, Elliott, Fleming, Floyd, **Greenup**, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Magoffin, Martin, **Mason**, Menifee, Montgomery, Morgan, Owsley, **Perry, Pike**, Robertson, Rockcastle, Rowan, Whitley, and Wolfe counties.

	Licensed				Certified				Registered			
	Full Day		Part Day		Full Day		Part Day		Full Day		Part Day	
	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban
Infant/Toddler	19	18	14	13	17	17	14	13	10	10	6	6
Preschool	16	15	11	11	15	16	11	11	10	10	6	6
School-Age	16	15	11	11	15	16	9	9	10	10	6	6

WEST REGION means Allen, Ballard, **Barren**, Breckenridge, Butler, Caldwell, **Calloway**, Carlisle, **Christian**, Crittenden, **Daviess**, Edmonson, Fulton, **Graves**, Grayson, Hancock, **Hardin**, Hart, **Henderson**, Hickman, Hopkins, Larue, Livingston, Logan, Lyon, **McCracken**, McLean, Marion, Marshall, Meade, Metcalfe, Monroe, Muhlenberg, Nelson, Ohio, Simpson, Todd, Trigg, Union, **Warren**, Washington, and Webster counties.

	Licensed				Certified				Registered			
	Full Day		Part Day		Full Day		Part Day		Full Day		Part Day	
	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban
Infant/Toddler	19	18	14	13	17	16	13	12	10	10	6	6
Preschool	18	16	15	14	16	15	12	12	10	10	6	6
School-Age	16.75	16	15	14	16	15	13	12	10	10	6	6

The following child care maximum payment rates shall be effective for Carter County.

	Licensed		Certified		Registered	
	Full Day	Part Day	Full Day	Part Day	Full Day	Part Day
Infant/Toddler	19	14	17	14	10	6
Preschool	15	11	15	11	10	6
School-Age	15	11	15	9	10	6

The following child care maximum payment rates shall be effective for Bullitt, Gallatin, Grant, Oldham, Pendleton, Scott, and Woodford counties.

	Licensed		Certified		Registered	
	Full Day	Part Day	Full Day	Part Day	Full Day	Part Day
Infant/Toddler	23	18	20	17	13	8
Preschool	20	15	18	15	12	7
School-Age	19	13	17	13	11	6

**** Only counties in BOLD print are considered Urban Counties. ****

When the provider's customary rate exceeds the Kentucky Child Care Maximum Payment Rate, families shall be responsible for the difference plus their co-pay. Families will also be responsible for registration fees, activity fees, transportation fees, and any other charges required by the provider not included in the daily payment rate, with one (1) exception. Enrollment fees can be paid for families approved through a DCBS approval. (See Section 9.14 for payment procedures).

A provider cannot charge participants in the child care assistance program a higher rate for child care than is being charged to the public.

9.10 Determination of Rates (Revised 09/01/09)

KICCS determines the daily payment rates that are entered on the automated DCC-94. The amount is determined based on the following:

- The customary and usual rate that is charged to the public by the provider, less the family co-payment.
- The maximum daily payment rate according to the region, type of care, age of child and if full-day or part-day, less the parent co-pay per child. (Refer to the DCC-300).
- Payment to a provider for an individual child is limited to one (1) full day in a twenty-four (24) hour period.
- Whether or not a provider is approved for an incentive/special rate due to the child's special needs, or due to non-traditional hours and/or accreditation.

Age	KICCS Code
Birth through 12 months	Infant 1 (IN-1)
1 to 2nd birthday	Toddler 1 (TD-1)
2 to 3rd birthday	Toddler 2 (TD-2)
3 to 4th birthday	Preschool 1 (PS-1)
4 to 5th birthday	Preschool 2 (PS-2)
5 to 6th birthday	Preschool 3 (PS-3)
6 to 8th birthday	School age 1 (SA-1)
8 to 13th birthday	School age 2 (SA-2)
13 to 19th birthday	School age 3 (SA-3)

9.11 Incentive/Special Rates (Revised 09/01/09)

An additional one (1) dollar per day to the maximum daily rate can be paid for the following (if this amount is charged to the public):

- Care is provided between the hours of 6 PM and 6 AM on weekdays or from 6 PM Friday through 6 AM Monday (Non-traditional hours)
- Care is provided for a child with a special need under the age of thirteen (13).
- Care is provided for a child age thirteen (13) through eighteen (18) who is physically or mentally incapable of self care or under court supervision.

An additional two (2) dollars per day to the maximum daily rate can be paid if the provider is accredited and this amount is charged to the public.

9.12 Criteria for Non-payment (Revised 09/01/09)

Payment under the Child Care Assistance Program shall not be made:

- To an alternative program such as Head Start, state preschool or state kindergarten; or
- To another child care provider, if the family operates the child care business in the home.
- To AmeriCorps; to verify that an AmeriCorps member has applied for child care benefits through AmeriCorps, the service agent staff shall contact National Association of Child Care Resource and Referral Agencies (NACCRRA) at 703-341-4152 or 703-341-4115.
- Until a registered provider who is either conditionally or fully approved as a child care provider.
- Until the completed DCC-94B Licensed or Certified Provider Information Form is returned for entry into KICCS.
- Until the signed DCC-94 Child Care Service Agreement and Certificate has been returned to the service agent and entered as received in KICCS.
- To a licensed provider for more than five (5) absences per child during a month if the provider fails to verify in writing, and maintain with attendance records that the additional absences were related to:
 - A death in the extended family;
 - Illness of child or applicant;
 - Court order; or
 - Disaster.
- To a certified provider for more than five (5) absences per child during the month;
- To a registered provider for any absences;
- If criminal records background checks reveal convictions that impact the safety and security of children in care in accordance with KRS 199.8994(6);
- If a family or a provider:
 - Defaults on three (3) payments under a repayment agreement with the cabinet; or
 - Refuses to sign a DCC-98 Repayment Agreement.
- If a family no longer meets the technical or financial eligibility requirements under the Child Care Assistance Program.

9.13 Enrollment Fees (Revised 09/01/09)

Enrollment fees can be paid for recipients approved by Family Support and recipients approved by Protection and Permanency and the household income is less than 200% of the poverty level. Enrollment fees are paid **only** for these two groups of recipients. **The enrollment fee must be requested by the provider.** Service agent fiscal staff collects enrollment fee information from licensed and certified providers via the DCC-94B. The DCC-94B must have the amount of the enrollment fee listed and must be current and complete in order for a fee payment to be authorized. The DCC-94B (all three (3) pages of the form) and the DCC-94 (first page only) may be faxed or mailed to DCC and will be returned to the service agent if incomplete or not current. **CCP or TANF should be written on the faxed copy of the DCC-94.**

Enrollment fees are paid to only Licensed Type I and Type II centers or Certified Family Child Care Homes who charge enrollment fees to the general public. Enrollment fees may be paid per child or family. Enrollment fees are **not** paid to registered providers and may not be paid to a provider more than one (1) time in a twelve (12) month period.

9.14 Steps for Processing Payment of Enrollment Fees (Revised 06/01/09)

Family Support Enrollment Fees

The enrollment fee is verified via the DCC 94B and the DCC 94. Eligibility for the family to have enrollment fee paid by DCC is verified by the service agent accessing computer program AKK0 verifying that the family is actively receiving K-TAP benefits or has received benefits within the last twelve (12) months. Eligibility can also be verified through contact with the Family Support worker.

Service Agent designated staff may mail or fax a copy of the current DCC 94 and DCC 94B to DCC fiscal staff at (502)564-3464.

Protection and Permanency Enrollment Fees

The enrollment fee is verified via the DCC 94B and the DCC 94. If the service agent fiscal staff receive a request for enrollment fee mail or fax the form DCC 94B and DCC 94 to DCC at (502)564-3464. Eligibility for the family to have enrollment fee paid by DCC is verified by the DCC central office staff through KAMES or AKK0. If the family is receiving any benefits then the 200% of Federal Poverty Level guideline is met.

If the family is not receiving any benefits through the Family Support programs, local office P & P worker will be contacted by P & P central office staff to secure the needed income verification and return the information to DCC.

DCC fiscal staff reviews and processes the enrollment fee payment, and handles provider calls regarding the status of the payment.

Enrollment Fee Contact Information

Service agent staff shall direct all provider inquiries regarding Family Support and P & P enrollment fees approvals to Division of Child Care staff at (502) 564-2524.

Chapter 10

CO-PAYMENTS

Co-payments are determined by the amount of countable income in the household, household size, and number of children needing care.

10.1 Waiving of Co-payments

DCBS Division of Protection and Permanency workers may approve child care using the DCC-85 Approval of Child Care Assistance when families need the service as:

- A preventive service to meet the child care needs of a family with a case open due to a Family in Need Services Assessment (FINSA) in order to stabilize the situation and prevent escalation to an environment at increased risk of abuse or neglect.
- A protective service provided when abuse, neglect or dependency is substantiated and the family has need for child care services.

Family co-payments may be waived by the protection and permanency worker with the approval of the Family Services Office Supervisor (FSOS) or designee. If the co-payment is waived this shall be indicated on the DCC-85 form with the reason for waiver indicated in the Comments Section of the form.

When the DCC-85 Approval of Child Care Assistance indicates that the co-payment has been waived, service agent staff shows the co-payment as waived when completing the Authorization Screen for the case in KICCS.

DCBS Protection and Permanency workers/supervisors are the **only** DCBS staff that can authorize waiver of the co-payment.

10.2 Court Orders (Revised 09/01/09)

If a court orders a parent to pay a portion of the child's child care expenses, that co-payment amount shall be made in lieu of the family co-payment. The amount of the court ordered co-payment shall be indicated on the DCC-85.

10.3 Co-Payment Override

The pre-determined co-pay can be overridden to:

- Accommodate a court-ordered co-pay amount
- Process employment earnings for a TANF (Temporary Assistance for Needy Families) case (or a case transitioning from TANF) in which the two month income disregard is used.
- Make an adjustment if the co-payment rate exceeds the provider rate with a mixed schedule.

The co-pay override can be entered in KICCS with a start and end date to enable two-month disregard cases to be handled a single time when the income is entered. KICCS II automatically adjusts the co-pay amount and allocation per the end date and displays the known change in co-pay on the DCC 94 Child Care Service Agreement and Certificate.

10.4 Co-payment Change

The family co-payment chart is effective May 1, 2008. The co-payment for a child who was receiving child care assistance prior to May 1, 2008, shall remain unchanged until the next case action involving the child's eligibility, such as a change in the family or child's circumstances or an eligibility re-determination.

When the provider's customary rate exceeds the Kentucky Child Care Maximum Payment Rate, families shall be responsible for the difference plus the family co-payment.

10.5 Allocation of Co-pay in KICCS

The KICCS system is programmed to determine the child likely to have the greatest need for care and will allocate to other children in the case only if the co-payment cannot be absorbed by the first child

10.6 Co-Payment Chart

Family Co-Payment Per Day								
Income Range Monthly		Family Size 2 Family Co-Pay With 1 Child	Family Size 3 Family Co-Pay		Family Size 4 Family Co-Pay		Family Size 5 or More Family Co-Pay	
			With 1 Child	With 2 or more	With 1 Child	With 2 or more	With 1 Child	With 2 or more
0	899	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
900	999	\$2.00	\$2.00	\$3.00	\$2.00	\$2.00	\$2.00	\$2.00
1,000	1,099	\$3.00	\$3.00	\$3.00	\$2.00	\$3.00	\$2.00	\$3.00
1,100	1,199	\$4.00	\$4.00	\$4.00	\$3.00	\$3.00	\$2.00	\$3.00
1,200	1,299	\$4.00	\$4.00	\$5.00	\$4.00	\$4.00	\$3.00	\$3.00
1,300	1,399	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$3.00	\$4.00
1,400	1,499	\$6.00	\$5.00	\$6.00	\$5.00	\$6.00	\$4.00	\$4.00
1,500	1,599	\$7.00	\$6.00	\$6.00	\$6.00	\$6.00	\$5.00	\$5.00
1,600	1,699	\$8.00	\$6.00	\$7.00	\$6.00	\$7.00	\$6.00	\$6.00
1,700	1,799	\$9.00	\$7.00	\$8.00	\$7.00	\$8.00	\$6.00	\$7.00
1,800	1,899	\$10.00	\$8.00	\$9.00	\$7.00	\$8.00	\$7.00	\$8.00
1,900	1,999	\$10.00	\$9.00	\$10.00	\$8.00	\$9.00	\$8.00	\$9.00
2,000	2,099	\$11.00	\$10.00	\$11.00	\$8.00	\$9.00	\$8.00	\$9.00
2,100	2,199	\$12.00	\$10.00	\$11.00	\$9.00	\$10.00	\$9.00	\$10.00
2,200	2,299	\$12.00	\$11.00	\$12.00	\$10.00	\$11.00	\$9.00	\$10.00
2,300	2,399		\$12.00	\$13.00	\$11.00	\$12.00	\$9.00	\$10.00
2,400	2,499		\$12.00	\$13.00	\$12.00	\$13.00	\$10.00	\$11.00
2,500	2,599		\$13.00	\$14.00	\$12.00	\$13.00	\$10.00	\$11.00
2,600	2,699		\$13.00	\$14.00	\$13.00	\$14.00	\$12.00	\$13.00
2,700	2,799				\$13.00	\$14.00	\$13.00	\$14.00
2,800	2,899				\$14.00	\$15.00	\$14.00	\$15.00
2,900	2,999				\$14.00	\$15.00	\$16.00	\$17.00
3,000	3,099				\$15.00	\$16.00	\$18.00	\$19.00
3,100	3,199				\$15.00	\$16.00	\$20.00	\$21.00
3,200	3,299						\$20.00	\$21.00
3,300	3,399						\$22.00	\$23.00
3,400	3,499						\$22.00	\$23.00
3,500	3,599						\$24.00	\$25.00
3,600	3,699						\$25.00	\$25.00

EFFECTIVE DATE: 05/01/08

10.7 Co-payment Increases

If a change in family income results in an increase in the amount of the co-payment, the service agent staff shall give a ten (10) calendar day notice to the parent, via the DCC-105 Notice of Adverse Action, of the increase in co-payment **unless** the change occurs during a re-determination and the current eligibility period ends in less than ten (10) days.

10.8 Failure to Pay Co-Pay

Providers are required to notify the service agent if a family has failed to comply with a required co-payment for two (2) weeks.

When notified the service agent shall:

- Request the provider develop a payment plan with the family;
- Not make payment to a subsequent provider until the family demonstrates compliance with the payment plan, unless approval is granted by the service agent due to:
 - A disaster;
 - Closure of a provider;
 - Family circumstances such as relocation, illness, or death; or
 - A risk to the health, welfare or safety of the child or parent.
- Terminate CCAP for the family for failure to complete a payment plan with ten (10) days of notification to do so by the provider.
- Terminate CCAP for a family who fails to make two (2) payments in accordance with an agreed upon payment plan.

Chapter 11

Motor Vehicle Registration Child Care Fund

11.1 Overview Revised 09/01/09

Any person requesting registration or renewing a motor vehicle registration at the local county clerk's office has the opportunity to make a voluntary monetary donation to the child care assistance fund. The fund is to be used for working families whose income exceeds the state income limits for child care assistance under the Child Care Assistance Program.

Collections from this fund are distributed to the three (3) Child Care Service Agents to assist families who are not income eligible for the child care assistance program. The amount of the funding varies by service area.

Authorization of payments will be documented in a case record. Case records shall be maintained for five (5) years.

11.2 Eligibility and Documentation

Assistance funded by this source may be provided to working parents who meet eligibility criteria of the CCAP program with the exception of gross income. Only proof of identity, residence in the service area, and income is needed. Applicants or recipients for CCAP services who are determined not eligible or discontinued ongoing benefits solely due to excess income may be assisted by this fund.

11.3 Allowable Expenses

Funding from this source can be used to pay:

- ✓ Child care payments;
- ✓ Enrollment fees;
- ✓ Activity/day trip fees;
- ✓ Material fees;
- ✓ Transportation fees.
- ✓ Other items relating to child care with prior approval of the Cabinet

11.4 Other Requirements

The child care provider must be certified, licensed, or currently registered by the Cabinet for Health and Family Services or its designee. The child care provider shall also be in good standing as a registered, certified, or licensed provider.

Child care payments shall be made directly to the child care provider. Authorization for payment is not made on KICCS. The process for payment and all tracking mechanisms are determined by the Service Agent.

11.5 Reports/Tracking

As required by contract, each CCAP service agent will submit a quarterly and annual report regarding the expenditure of this source of funding to the Division of Child Care by the fifteenth (15th) day of the month following the end of the reporting period. Each CCAP service agent will receive an annual report of funds collected from vehicle registration donations by county for prior calendar year.

Chapter 12

Registered Providers

12.1 Overview

A family determined eligible for CCAP may choose a private individual such as a relative or neighbor to care for their children. In order to be paid CCAP funds for providing child care services these individuals must meet minimum health, safety, and training requirements and be registered by the State. The individual must apply for registration, provide all requested information, and meet all regulatory requirements.

12.2 General Requirements

Individuals wishing to be registered must meet the following general requirements:

- Registered providers cannot live in the same residence as the child in care.
- Registered providers cannot hold a current license to operate a Type I or Type II child care center.
- Registered providers cannot hold a current certificate to operate a Family Child Care Home.
- Registered providers cannot care for more than three (3) unrelated children.
- Registered providers must post and comply with KRS 199.898.

Registered providers cannot provide other home based services such as:

- A personal care home
- A family care home
- An adult day care home
- Supports for community living

Registered providers must comply with provisions of KRS 199.898 which include:

- No use of physical or mental abuse
- No use of abusive language or punishment
- Allow access of the parent to the child in care at all times
- Provide information about regulatory standards to parents

12.3 Application Process (Revised 04/01/09)

An individual wishing to apply for registered status may indicate their intent to file an application by notifying the service agent staff by:

- Appearing in person at the local child care service agent office,
- Contacting the service agent by phone or in writing, or

- Being named by a family approved for CCAP benefits on the DCC-85 Approval for Child Care Assistance as their choice to provide unregulated child care services.

On the day the applicant indicates an intent to apply for registered status, service agent staff will mail or provide the applicant with a **Registered Provider Packet** located in Chapter 18 Child Care Forms and instructions to provide all necessary forms and verification within a thirty (30) day time frame. The parent may enroll with the provider, but payment will not be made until all documents have been received and approved. Payment will be made based on client and provider eligibility.

EXAMPLE: Client's eligibility is approved for child care on April 5th. The provider chosen applies on April 8th. This provider completes all requirements with the exception of training and is conditionally approved on April 18th. CCAP payments will be retroactive back to the approval date of April 8th.

If a client chooses a registered provider that resides in another service area, the registered provider will complete the application process in the service area of their residence. The service areas determining client eligibility and provider approval will need to communicate during the eligibility process.

The Registered Provider Packet includes:

- A DCC-95 Application for Registered Child Care Provider in Provider's Home or DCC-96 Application for Registered Child Care Provider in Child's Home
- A sufficient number of DPP-156 Central Registry Check forms to insure the applicant and all adults in the applicant's home, if care is to be provided there, submit to a child abuse and neglect check.
- A sufficient number of AOC-PT-49 Administrative Office of the Courts Criminal Records Check or KSP Request for Conviction Records/Child Care forms to ensure the applicant and all adults in the applicant's home, if care is to be provided there, submit to a criminal background check.
- A DCC-94A Registered Child Care Provider Information Form and supplement.
- A DCC-95A Health Statement form to be completed for the applicant.
 - Information provided on the DCC-95A must be based upon an examination completed not more than sixty (60) days prior to completion of the form by the health care provider.
 - A DCC-95A remains valid for the period of certification unless a change occurs which has the potential to invalidate the provider's eligibility.
 - A new DCC-95A based upon an up-to-date examination of not more than sixty (60) days will be required at each renewal (see Section 12.7 below).
- An IRS W-9 request for Taxpayer Identification Number and Certification to confirm tax information.
- A copy of KRS 199.898 that outlines the rights of a parent, guardian, or custodian enrolling a child in a child care setting.

An eligibility decision by service agent staff is required within forty-five (45) days of the date of the notice of intent to apply. Applicants approved to provide child care services as a registered provider are issued a DCC-107 Registered Provider Approval Notice. Individuals denied registered provider status are issued a DCC-108 Notice of Negative Action on a Registered Provider Application. Both notices are system generated by KICCS.

Applicants who submit part, but not all, of the required forms and verification are sent a DCC-106 Notice of Requirements for Pending Registered Provider Application advising of the missing information and deadline for return.

12.4 Eligibility Requirements

The registered provider must be eighteen (18) years of age or older. Age must be verified by obtaining a copy of the individual's birth certificate or a photo identification card such as a driver's license, military ID, or other cards containing a picture, name and birthday. If the provider was born in Kentucky, age can be verified by the Birth Index File search.

The registered provider must be free of active tuberculosis and in good general health and able to care for children. If care is provided in the home of the applicant, all persons age eighteen (18) and older living in the home must be free of active tuberculosis. This must be verified by a written statement completed and signed by a health professional or a completed DCC-95A. For the purposes of meeting this requirement, a health professional is:

- A currently licensed physician,
- A currently licensed physician's assistant,
- A currently licensed advanced registered nurse practitioner, or
- A registered nurse under the supervision of a physician.

The applicant must be certified by a health professional that he/she has no medical impairment that would present a health or safety risk to children placed in his/her care. Applicants who are deemed by the health professional to be unfit to provide care are withdrawn or closed by the service agent staff.

For situations where an applicant is found to be taking a medication that causes drowsiness and the health professional states the applicant is a health and safety risk to the child, the application can be pended. (A DCC-106 is sent to the provider.) The applicant can reapply with a change of medication and a DCC-95A stating the applicant is no longer a health and safety risk to children in his/her care.

For situations where a diagnosis of tuberculosis has been confirmed by a health professional for the applicant or other adult household member, the application for registration is denied or, in the case of an approved provider, revoked.

The registered provider and all persons age eighteen (18) and above must submit to a criminal records background check and child abuse and neglect check. The provider and all adults living in the household shall not have a substantiated abuse, neglect or exploitation allegation and shall not have been convicted of crimes against children, including, but not limited to, child abuse, neglect or exploitation.

The registered provider offering child care services in their own home must certify that the residence and their behavioral practices meet minimum safety requirements. Proof of certification is their signature on the DCC-95. Requirements are listed on this form.

The registered provider offering child care services in the home of the child to be cared for must certify their behavioral practices meet minimum safety requirements. Proof of certification is their signature on the DCC-96. Requirements are listed on this form.

The registered provider must complete and submit an IRS W-9.

The registered provider who successfully meets all the above requirements is conditionally approved to provide child care services for a period of ninety (90) days from the notice of intent to apply for registration. In order to be approved for a period in excess of ninety (90) days, the provider must complete and provide verification of obtaining three (3) hours of training in infant and child first aid, recognition of child abuse and neglect, and health and safety standards. Available training can be located by contacting the local Child Care Resource and Referral Agency.

Registered providers who complete the required training are approved for a period of one (1) year.

12.5 Central Registry (Child Abuse/Neglect) Checks (Revised 04/01/09)

Staff in the Division of Child Care (DCC) completes the Central Registry checks for registered providers and adults living in the home of the provider if child care services are offered there. Data maintained by the Cabinet for Health and Family Services is accessed to determine if the applicant or other adult household member has a substantiated instance of child abuse or neglect.

Service agent staff provides a sufficient number of DPP-156 Central Registry Check forms to the applicant with instructions to complete the form and mail it, with a \$10 processing fee for each request, to the Division of Child Care, 275 E. Main Street, 3CF, Frankfort, Kentucky 40621.

If the Central Registry Check reveals no disqualifying behaviors, the DPP-156 is forwarded to the applicant for registered status to supply to the service agent staff.

If the Central Registry Check reveals a substantiated instance of abuse or neglect, DCC sends certified notice to the applicant for registered status advising of the failed status and the right to appeal. The service agent is notified of the failed Central Registry Check via e mail and is provided a copy of the certified notice.

DCC contacts applicants who provide checks drawn with insufficient funds to request a money order and payment of return fees. Subsequent requests for Central Registry Checks will not be processed until all arrearages and late fees are paid.

12. 6 Child Ratios (Revised 05/13/08)

The maximum number a registered provider may care for during hours of operation is eight (8) children. This includes the provider's own children, other related children, and unrelated children.

A registered provider cannot care for more than three (3) children not related to the provider.

Individuals caring for more than three (3) unrelated children in their own home must be certified by the Division of Regulated Child Care (DRCC).

CCAP payment is limited to three (3) children per day unless the children are a sibling group. CCAP can be paid for up to six (6) children if they are siblings.

A sibling group of more than three (3) children per day but no more than six (6) may participate in the CCAP if they are related to the provider.

Examples:

Provider has four (4) children of her own. She cares for three (3) unrelated children. She is under the eight (8) maximum allowed and can be paid for caring for the three (3) unrelated children.

Provider has no minor children. She cares for her grown daughter's four (4) children. She is under the eight (8) maximum and can be paid for her four (4) grandchildren since they are related to her and the children are siblings.

Provider has no minor children. She cares for her daughter's two (2) children and her son's three (3) children. She is under the eight (8) maximum and can be paid for three of the children. She is not providing illegal care since all the children are related to her. However, the limit for CCAP payment is care for up to three (3) children except for sibling groups. The daughter's children are not siblings to the son's children.

Provider has four (4) minor children of her own. She cares for her sister's three (3) children and two (2) of her neighbor's children. She is over the eight (8) maximum and not eligible to be a registered provider.

Provider has three (3) minor children of her own. She cares for four (4) neighborhood children. She is not eligible to be a registered provider as she is caring for more than three (3) unrelated children. She needs to pursue certification.

12.7 Renewal of Registration

Service agent staff will send a reminder notice to the registered provider at least forty-five (45) days before the expiration date of the provider's registration. Prior to the expiration date, the registered provider must complete and submit all forms listed in Section 12.3, Application Process of this chapter and meet the same requirements as an initial application with the following exception:

Complete and provide proof of three (3) hours of training in early care and education in one or more of the following subjects:

- Child growth and development
- Learning environments and nutrition
- Health, safety, and nutrition
- Family and community partnerships

- Child assessment
- Professional development and professionalism
- Program management and evaluation

12.8 Interim Changes

Registered providers are required to report changes that impact their status within ten (10) calendar days of the change. Changes that must be reported include:

- Change in name
- Change in address
- Change in phone number
- Change in location where care is provided
- Change in household composition
- Care of fewer or additional children
- A household member turning eighteen (18)

Household members turning eighteen (18) must submit criminal and central registry checks and proof they are free from active tuberculosis. This information is requested on the DCC-109 Request to Document Health and Safety of Household Member Turning 18.

12.9 Negative Action and Penalties

Applications that do not result in an approval can be either withdrawn or denied. A DCC-108 Notice of Negative Action on Registered Provider Application is provided to the applicant indicating the reason for the negative action.

Withdrawn applications are removed from consideration for registration without penalty to the applicant. Reasons for an application to be withdrawn are:

- The applicant requests that their application be withdrawn.
- The applicant is currently a licensed or certified child care provider.
- The applicant lives in the same residence as the child needing care.
- The applicant provides other home based services.
- The applicant fails to agree to or complete items contained in the DCC-95 or DCC-96 and DCC-94A Registered Child Care Provider Information Form.
- The applicant fails to return requested verification of age or health status.
- The applicant fails to submit information to complete a criminal records check or child abuse and neglect check for self or other adults in the residence.
- The applicant fails to submit documentation of training.

Applicants whose applications are withdrawn may reapply for registered status at any time. However, they will not be paid for child care services they may have provided pending an eligibility determination.

Denied applications incur a penalty. Depending on the reason for denial, an applicant may be allowed to reapply for registration after a penalty period of one (1) year from the date of denial.

Applications are denied for the following reasons:

- Written verification from a health professional confirms a diagnosis of tuberculosis for the applicant or a household member.
- Background checks reveal a substantiated incident of child abuse or neglect or a conviction of a violent or sex crime or history of behavior that may impact the safety or security of a child in care.
- The provider allows the use of corporal physical discipline on a child.

Individuals who are denied or revoked a license or certificate to operate a child care center or home are not eligible to be approved as a registered provider for a penalty period of one (1) year from the date of revocation or denial. The provider must also complete any additional sanctions imposed by the Cabinet. The individual may be approved as a registered provider if they meet all requirements and complete an additional twelve (12) hours of training approved by the Cabinet in early care and education. Individuals who have been denied or revoked a license or certificate due to employing an individual who is a violent offender or has been convicted of a sex crime cannot be registered providers.

Once approved for registered status, a registered provider may be closed or revoked. Registered status is **closed** for the same reasons as an application that is withdrawn. Closure does not carry a penalty period. The individual can reapply to be a registered provider at any time.

Registered providers can be **revoked** for the same reasons an applicant is denied. Individuals whose registered status is revoked incur the same penalties as an applicant who is denied.

A DCC-110 Notice of Negative Action on Approved Provider is sent to the provider when registration is closed or revoked. This notice indicates the reason for the negative action and the effective date.

The parent(s) of children in the care of a registered provider or applicant for registration is sent a DCC-111 Parent Notice of Need to Change Child Care Providers when registered status is denied, withdrawn, closed, or revoked advising of the need to choose another child care provider.

12.10 Additional Information

A registered provider may be eligible for the food program. For additional information call (502) 537-4390.

Chapter 13

Provider Requirements and Responsibilities

13.1 Overview

In order to receive child care assistance payments on behalf of an eligible family, the provider of child care must be currently licensed, certified, or registered by the State.

The Office of the Inspector General (OIG), Division of Regulated Child Care (DRCC), is responsible for surveying and licensing Type I and Type II centers and certifying Family Child Care homes. They update licensure information on the KICCS system.

Service agent staff is responsible for registering individuals who are not regulated by the Office of the Inspector General, Division of Regulated Child Care. The process for registration is outlined in Chapter 12, Registered Providers.

All provider types must complete and submit the appropriate version of a provider information form to service agent staff prior to CCAP payments being authorized for the care of children.

- Licensed and Certified providers complete a DCC-94B Licensed or Certified Provider Information Form.
- Registered Providers complete a DCC-94A Registered Child Care Provider Information Form.

The information forms require the signature of a responsible party attesting to their understanding of the provider's rights and responsibilities as a participant in the Child Care Assistance Program.

13.2 Providers Ineligible for CCAP Payments

In order to receive CCAP payments a provider must be licensed, certified, or registered. The following settings are not subject to licensure and are not eligible for subsidy payments:

- Summer camps certified as youth camps which serve school age children
- Private school serving kindergarten through grade twelve (12) while school is in session.
- Public school and programs regulated by the Kentucky Department of Education.
- Summer programs operated by a religious organization in which a child attends no longer than two (2) weeks, such as Vacation Bible School.
- Child care provided while parents are on the premises, other than the employment or educational site of the parents.

- Child care provided by educational programs that include parental involvement with the care of the child and development of parenting skills.
- Child care provided by a religious organization while religious services are being conducted.
- Programs providing instructional and educational programs that operate for a maximum of twenty (20) hours per week and in which a child attends for no more than ten (10) hours per week.
- Short term camps such as sports, computer, dance, etc, if not conducted by a licensed entity.

13.3 Provider Rights and Responsibilities (Revised 09/01/09)

All providers agree to:

- Meet all regulatory and statutory requirements related to child care registration (licensed, certified, or registered status).
- Give permission to the Cabinet or its designee to verify any information necessary to approve or continue child care registration.
- Maintain information and records concerning all children and families served in a confidential manner.
- Not use any form of abusive language and/or corporal physical discipline.
- Report to the local service agent staff an address change or a change in provider type (licensed, certified, or registered) within ten (10) days of the change.
- Sign and return the DCC-94 Child Care Service Agreement and Certificate within ten (10) days of it being issued.
- Charge the parents of children receiving CCAP benefits no more than the rate charged to parents of children who do not receive CCAP.
- Notify local service agent staff and parents of any rate change ten (10) days in advance of making the change.
- Complete the DCC 97-Provider Billing Form accurately, promptly, and according to instructions.
- Not receive payment for any CCAP child who resides in the same home as the provider.
- Not receive payment for caring for her/his own children.
- Collect family co-payment fees regularly. Contact the local service agent staff if the co-payment is two (2) weeks behind.
- Not give any part of a CCAP payment to any Cabinet or service agent employee as wages, compensation, or gifts in exchange for acting as an officer, agency, employee, sub contractor, or consultant to the provider.
- Complete a W-9 Request for Identification Number and Certification and submit to the service agent staff.
- Maintain payment records for a period of five (5) years. (This includes sign-in sheets.)

The provider attests their understanding of the following when they sign and date the information form:

- Providing false information or withholding information makes them subject to prosecution for fraud.

- Service agent staff will not make payments or accept adjustment requests ninety (90) or more days after the service month.
- Cabinet and service agent staffs have the right to review and verify the accuracy of billing forms and payments.
- Providers are not employees or contractors of the Cabinet for Health and Family Services. The responsibility for taxes and other requirements lies with the provider.
- CCAP payments may be withheld or terminated upon thirty (30) days notice due to a shortage or unavailability of funding.
- CCAP payments may be withheld or terminated upon ten (10) days notice due to failure by the provider to comply with provisions of the information form, comply with applicable regulations, or commit an intentional fraudulent act.
- CCAP payments and child care arrangements will be terminated immediately if the Cabinet initiates a child protective services investigation involving the provider, an employee, or family member and determines safety concerns have not been adequately addressed.

13.4 Licensed Providers (Revised 09/01/09)

The following types of child care settings are required to be inspected and issued a license in order to care for children:

- Type I Child Care Centers regularly provide child care services to four (4) or more children in a non residential setting or thirteen (13) or more children in a designated space separate from the primary residence of the person licensed.
- Type II Child Care Centers regularly provide child care services to seven (7) but not more than twelve (12) children, including children related to the person licensed, in the primary residence of the licensee.
- Both types must submit an application for a license to the Division of Regulated Child Care (DRCC) and meet regulatory requirements. Providers who are denied, or revoked cannot be paid CCAP funds.
- Payments should not continue to be made if
 - ✓ there is a terminated provider/payee
 - ✓ a new owner's license number has not been obtained and entered in the system.

13.5 Certified Family Child Care Homes (Revised 09/01/09)

Individuals caring for more than three (3) unrelated children in their own home are required to be certified by the State. Application for certification must be submitted to the Division of Regulated Child Care (DRCC) and regulatory requirements met. Staff in DRCC review the application and inspect the home. Providers who are denied, or revoked cannot be paid CCAP funds.

Certificates are issued to an individual and specific location. Certified family child care homes changing locations are required to reapply for certification.

In the event that a certified provider contacts the CCAP agent with a change of location, the CCAP agent will then inform the provider that the change of location will not be entered in the KICCS System until a copy of the application, OIG-RCC-4, Application for Certified Family Child Care Home, submitted to DRCC has been received

by the CCAP agent. CCAP payments will continue for a period of ten (10) business days under the same address. Certified providers can contact DRCC at:

Division of Regulated Child Care
275 E. Main St. 5th Floor
Frankfort, KY 40621
(502) 564-7962

If verification is not received, CCAP payments will discontinue after the ten (10) business day period. The provider will be notified of the discontinuance of CCAP payments using the DCC-94D Provider Notification of Intent to Terminate Payment. Send notification to parent to pick a new provider using the DCC-111.1 Parent Notice of Need to Change Child Care Providers (Licensed & Certified).

Upon receipt of verification that the change of location has been initiated with DRCC, the CCAP agent will change the billing address and continue payment for twenty (20) business days or until a new certificate is issued, whichever comes first. If a new certificate is not issued after twenty (20) business days, then CCAP payments will discontinue. The provider will be notified of the discontinuance of CCAP payments using the DCC-94D. Send notification to parent to pick a new provider using the DCC-111.1.

13.6 Registered Providers

Individuals caring for fewer than four (4) children can be registered by the state solely for the purpose of receiving CCAP payments. See Chapter 12, Registered Providers.

13.7 General Requirements for Payment

In order to be paid an approved provider must:

- Sign and submit a DCC-94 for the children for whom payment is requested.
- Report all absences and schedule variances on the DCC-97.
- Maintain and submit, upon the request of the Cabinet or its designee, a monthly sign-in sheet in which the daily arrival and departure times of each child have been recorded.
- A licensed Type I or II center must maintain with attendance records written documents stating the reason for any absence of a child receiving CCAP in excess of five (5) days per month.

See Chapter 9 Payments for instructions regarding the processing of the DCC-97.

Chapter 14

Family Rights and Responsibilities

14.1 Statutory Rights (Revised 09/01/09)

All children receiving child care services in a licensed, certified, or registered provider have the right to be cared for in an environment free of any form of abuse and cared for by adults who meet health, safety, and developmental needs.

The parents, custodians, or guardians of children in care have:

- The right to have access to their children at all times the child is in care and access to the provider caring for their children during normal hours of provider operation and whenever the children are in the care of the provider.
- The right to be provided with information about child care regulatory standards, if applicable; where to direct questions about regulatory standards; and how to file a complaint.
- The right to file a complaint against a child care provider without any retribution against the parent, custodian, guardian, or child.
- The right to obtain information from the Cabinet regarding any type of licensure denial, or revocation of an operator, and Cabinet reports that have found abuse or neglect by any child care provider or any employee of a child care provider. Identifying information regarding children and their families shall remain confidential.
- The right to obtain information from the Cabinet regarding the inspections and plans of corrections of the day-care center, the family child-care home, or registered provider.
- The right to review and discuss with the provider any state reports and deficiencies revealed by such reports.
- The right to know about complaints, civil penalties and licensure compliance issues.

14.2 Parent Rights in the Child Care Assistance Program (Revised 09/01/09)

Unless an alternative program such as Head Start, public state pre-school or kindergarten is available and accessible during the time the parent needs child services, a parent is given the opportunity to choose a provider once they are notified child care assistance has been approved for their children.

A DCC-105A Notice of Client Eligibility is sent on all approved applications. The DCC-94.1 Notification of Eligibility and Certificate for Child Care Services is provided to all families approved for child care assistance by service agent staff. The parent is instructed to use the DCC 94.1 as proof of eligibility for child care assistance to access child care services. Families approved by DCBS are provided a copy of the DCC-85 or DCC-85A to use to access services.

Parents have the right to ten (10) calendar days advance notice of proposed action if a change in the family's circumstances indicates the child care benefit will be reduced

(e.g. the required co-payment will increase or a child will be no longer be eligible for services), or discontinued. Notice is provided on the DCC-105 Notice of Adverse Action.

Parents have the right to informal resolution of a complaint or to file a service appeal if they are dissatisfied with any action or inaction taken in their child care case. The process for these remedies are outlined in Chapter 17 Service Appeals.

14.3 Parent Responsibilities (Revised 09/01/09)

A signed DCC-91 Client Rights and Responsibilities Sheet is obtained from the adult in all child care assistance cases. This form is reviewed and signed during the application interview with low income families conducted by the service agent staff.

In low income working family's cases, the parent/guardian must sign the DCC-94 Child Care Service Agreement and Certificate. If the parent/guardian fails to sign the DCC-94, the child care case is terminated.

The DCC-91 is provided by the DCBS worker to clients approved by the DCC 85 process. The client is advised by their DCBS worker (Family Support or Protection and Permanency) that a DCC-91 will be sent by mail with a request that it be signed and returned to the service agent staff. If the form is not returned as requested, a DCC-105 proposing discontinuance of child care assistance is sent by service agent staff to the DCBS client and the DCBS worker.

14.4 Enrollment Changes

Parents have the right to change child care providers up to three (3) times in a twelve (12) month period. Any subsequent changes must be approved by the service agent and initiated due to a:

- Disaster
- Closure of the provider
- Family circumstances such as relocation of the family's residence or work station, illness, or death, or
- Risk to health, welfare, or safety of the child or parent.

If a family changes child care providers more than three (3) times in a twelve (12) month period and does so for reasons that are not approved by the service agent, child care assistance is discontinued. The family is not eligible to receive child care assistance for the remainder of the twelve (12) month period.

14.5 Responsibility to Report Changes (Revised 09/01/09)

Parents are required to report a change in circumstance to Cabinet or service agent staff within ten (10) calendar days of the day the change is known.

Service agent staff review the DCC-91 with families at the application interview and at each re-determination.

A change in circumstance means a change that effects program eligibility or co-payment amounts. Failure to report may result in an overpayment and/or a referral for fraud investigation and possible court action.

Changes include a:

- Start or end to employment
- Change in employers or obtaining additional employment
- Increase or decrease in the number of work hours
- Increase or decrease in the rate of pay
- Increase or decrease in family members
- Change in a self employment activity
- Change in the scheduled hours care is needed
- Start or end to an educational activity
- Change in child care provider
- Change in address or residence
- Change in marital status

The service agent staff is responsible for:

- Requesting information needed to document a reported change on a DCC-90F Notice of Appointment/Request for Information;
- Processing the change;
- Issuing a DCC-105 if benefits will decrease or end;
- Providing all necessary provider documents and notice;
- Issuing a DCC-105A confirming the reported change and household circumstances

Failure on the part of the parent to provide requested information will result in the issuance of a DCC-105 and possible discontinuance of child care assistance. See Chapter 8 Case Management and Continuing Eligibility Section 8.4, Known Changes within an Eligibility Period.

Chapter 15

IMPROPER PAYMENTS

15.1 Overview

The Cabinet and the Service Agents are responsible to assure proper administration of state and federal funds that pay for child care services for children and to take steps to prevent and deter improper payments. This responsibility depends on the efficiency, thoroughness, and integrity of the processes by which initial and continuing eligibility is determined and payments for child care services are issued by the service agent staff.

Child care improper payments occur when:

- Benefits issued exceed the amount the family is eligible to receive.
- Payments are issued for services that have not been provided.
- Payments were not authorized for approved services submitted by a provider on a DCC-97 Provider Billing Form.
- Benefits are less than what a family or provider are eligible to receive.

An improper payment can be an overpayment, where a **claim** is established for the purpose of collecting erroneous benefits or an **underpayment** where funds are owed to the provider for services rendered.

Upon discovery of an improper payment, immediately correct the case to ensure accurate ongoing benefits are issued.

15.2 Underpayments

If an underpayment to the provider has occurred and the child whose benefit was the cause of the underpayment is still active in the provider's care, complete a Prior Period Adjustment (PPA) for that child and authorize the payment to the provider. If the child is not active in the provider's care, mail the documentation describing the circumstances of underpayment to the Division of Child Care section at 275 E. Main, 3C-F, Frankfort, 40621 or fax the information to the attention of the CCAP section at 502-564-3464. Include in the documentation how the underpayment occurred and the time frame involved. If a provider has been underpaid, a check will be issued by the Division of Child Care.

A PPA is not authorized to correct an underpayment on a child other than the child for whom the underpayment occurred or if there has been paid PBF for the child. If the PBF has been paid, an adjustment can be made to correct the payment

Example 1: The provider for child A is not paid for three (3) days in the month of September at a rate of \$13 per day. The total amount of the underpayment is \$39. Child A is no longer eligible for services in October, when the underpayment is discovered. The service agent contacts the CCAP section at the Division of Child Care

to request payment is issued to the provider. A PPA prepared by the service agent staff is not appropriate to correct the payment.

Example 2: The provider for child A is not paid for three (3) days in the month of September and the child is still active in October. A PPA can be authorized by service agent staff for child A for the three (3) days owed to the provider for services rendered in September.

15.3 Overpayments (Revised 10/01/09)

When an overpayment [related to fraud or inadvertent household error (non-fraud)] to a client or provider is identified, a **claim** is established to collect the amount that was overpaid.

In calculating the first month of the claim, use the 10-10-10 policy unless it is a redetermination or application month and the change is known to the client at the time of the interview. The 10-10-10 rule is as follows: The client has ten (10) days to report a change from the time that the change becomes known, the worker has ten (10) days to act on the change and there is a ten (10) day adverse action period.

The first month of the claim is determined by when the change is known. The beginning month of the claim is the month after the adverse action ends.

Example 1: Kathy Jo failed to report a change in unearned income. The change was known to her on 10/2/05. Allow 10 days for her to report (10/12/05), ten (10) days for the agency to act on the change (10/22/05), and ten (10) days adverse action (11/1/05). Since the adverse action ends 11/1/05, the first month of the claim would be 11/05 starting 11/2/05. (11/1/05 would not be part of the claim as it is within the ten (10) day adverse action period).

Example 2: In December 2008 the worker learned that Amanda started a new job on July 2, 2008. Amanda was in the office on July 12 and did not report the job at the time of the interview. The first month of the claim would be July starting July 12, 2008.

15.4 Kentucky Claims Debt (KCD) Management System (Revised 08/06/08)

The KCD system was implemented in October 2005 to manage the collection process of restitution resulting from a claim.

The KCD system is used to enter all information on the claim. Entries in KCD will be completed by the Division of Child Care (DCC) central office using information received from the service areas via forms DCC-99 Claim Referral Form, DCC-99A OIG Fraud Referral, DCC-99B Claims Calculation Worksheet, DCC-99C Client/Provider Statement, and DCC 98 Repayment Agreement, and all related documentation to the claim.

Once a claim is entered on KCD, the system will automatically send a notice to the client/provider indicating that there is a claim, the amount, the time period and the reason for the claim. A notice will be sent advising the client/provider of the agreed monthly repayment amount based on information entered on form DCC-98 Repayment

Agreement by the service agent and the client/provider. If a DCC-98 Repayment Agreement is not signed by the client/provider, the system will advise the client/provider to contact the Claims Management Section, (CMS) at 502-564-3440 to make payment arrangements.

KCD will automatically send receipts on payments received and will also send demand letters for payments that are delinquent. Once a client is delinquent in payment of the claim for ninety (90) days the claim is automatically sent to the Kentucky Revenue Service (KRS) for tax offset. If the claim is delinquent for more than ninety (90) days, the case will appear on a report that will be sent to the service agencies from DCC. If the client/provider is ninety (90) days or more delinquent in payment on a claim, ongoing child care services or payments are discontinued from the Child Care Assistance Program.

Service agents will have inquiry only access to KCD. The service agents will be able to inquire the balance of a claim, when the last payment was made, if notices have been sent and any other information that pertains to the claim.

DCC staff will have the ability to update data on KCD. If a service agent inquires KCD and finds that information on the claim is incorrect, the service agent is to contact DCC so that the claim can be corrected.

All payments received from the client/provider will be sent to the Claims Management Section at 275 E. Main 3E-I, Frankfort, Ky 40601 who will post the payment to the claim.

15.5 Categories of Claims (Revised 10/01/09)

Claims **[are identified as fraud and non-fraud.]**

A **Fraud** claim is determined and established by a court of law. Fraud claims are categorized as Child Care Court claims on the Kentucky Claims Debt (KCD) Management System.

A **Non-fraud** claim is an overpayment of benefits due to the inadvertent or non deliberate error of the client or provider. This category also includes claims that do not meet acceptance criteria for investigation and prosecution by the Office of Inspector General. Non fraud claims are categorized as Child Care Non Court claims on KCD.

15.6 Claims Process (Revised 10/01/09)

Once a claim has been identified, complete the following:

- Secure all verifications to complete the calculation of the overpayment.
- Send DCC-100 Claims Appointment Letter, to the client/provider to set up an appointment to discuss the potential claim(s) and to determine the category of the claim. The interview is scheduled at a time that is convenient for both the service agent staff and the client/provider. The interview shall consist of presenting the evidence to the client/provider, explaining how the claim will be calculated and explaining the client/provider rights. During the interview, the

client is given an opportunity to dispute the existence, amount, or the category of the claim.

- Give the client/provider the opportunity to complete form DCC-99C Client/Provider's Statement. This form is completely voluntary and is completed by the client/provider without coercion from the service agent. When the form is completed, the client/provider and service agent staff completing the interview sign and date the form. All of the above forms and documentation become part of the claims record.
- If the service agent determines that there is no claim after the interview, the case record is documented as to the reason for the determination. No further claims activity is needed on the case.

15.7 FRAUD CLAIMS (Revised 07/01/08)

A claim is categorized fraud after the case has been adjudicated in court and the client/provider has been convicted of fraud by a court of law. The Office of Inspector General (OIG) is the entity within the Cabinet for Health and Family Services that investigates alleged fraud cases and pursues prosecution through the court system. If the claim amount is estimated to be or exceeds \$5,000 and fraud is suspected, a referral to the OIG for further investigation and possible prosecution is initiated by completion of the DCC-99A OIG Fraud Referral.

Examples of suspected fraudulent activity by a client or provider include:

- Misrepresentation of information by making a false statement either orally or in writing to obtain or attempt to obtain services or payments for which she/he is not eligible.
- Concealing information to obtain services or payments to which she/he is not eligible.
- Deliberate withholding of information needed to accurately determine eligibility.
- Deliberate failure to report a change timely in order to continue to receive services to which she/he is not entitled.
- Falsification or alteration of authorization documents or provider billing forms to obtain services or payments to which she/he is not entitled.
- Misrepresentation of private pay rates and/or enrollment fee information.

Situations that would prompt a referral for further investigation by OIG would include, but are not limited to:

- A provider completes and submits a DCC-97 Provider Billing Form, (PBF) requesting payment for services to a child who stopped attending the child care center several months back.
- A client applies and is approved for child care services. She fails to mention that the father of the child(ren) lives in the home and is working full-time.

15.8 Referrals for Fraud Investigation (Revised 10/01/09)

If fraud is suspected and the estimated claim amount is \$5,000 or more, a DCC- 99A OIG Fraud Referral is completed per procedural instructions and forwarded to the:

Division of Child Care, CCAP Section
275 E. Main Street, 3C-F
Frankfort, KY 40621

Copies of all forms and documentation used to calculate the claim are sent with the DCC-99A OIG Fraud Referral. Send only copies, maintaining all originals in the service agent's office.

Mark the child care case record with a red X and "Claim DO NOT PURGE" written on the folder to assure no relevant material is removed from the case.

Completion of a DCC-98 Repayment Agreement is not appropriate for cases referred to OIG.

Upon receipt of the DCC-99A OIG Fraud Referral, the Division of Child Care claims staff review documentation and determine if the referral for a fraud investigation is appropriate. If so, the case is sent to OIG for further investigation.

Once the case has been forwarded to OIG for investigation and possible prosecution, do not discuss the claim with the client/provider. If the client/provider has questions relating to the investigation, refer the client to the OIG office at 502-564-2815.

If the OIG office contacts the service agent for further information, the service agent must cooperate fully with the OIG investigator. If the case is referred to court, the service agent is to appear in court, if subpoenaed, to discuss how the calculations were completed and to provide any available documentation to substantiate the circumstances of the claim.

If OIG determines that the case is not fraud or that it is not feasible to pursue the claim through court proceedings, a copy of DCC-99A OIG Fraud Referral will be returned to the Division of Child Care and the claim will be established on the KCD system as non-fraud. Collection will be pursued by the Cabinet's central office. A copy of DCC-99A OIG Fraud Referral will be provided to the service agent staff to notify of the disposition of the case.

15.9 Reporting Suspected Employee Fraud

All instances of suspected employee fraud must be reported immediately to the Branch Manager in the Division of Child Care at 502-564-2524.

15.10 Non-Fraud (Revised 07/01/08)

Non-fraud claims are overpayments caused by an inadvertent or non deliberate action on the part of a recipient or provider. Claims that do not meet the acceptance criteria of OIG, (i.e. less than \$5,000), or are returned without court action are treated as non-fraud claims. Non-fraud claims are processed by the service agent staff and collection of the overpayment is initiated locally.

Situations that may cause a non-fraud claim include:

- The recipient of child care subsidy funds unintentionally fails to provide the service agent staff with correct or complete information.
- The recipient unintentionally fails to report a change that impacts child care benefits to the service agent staff.
- A provider unintentionally fails to notify the service agent of temporary operational changes or of circumstances which affect payments for children receiving subsidies.

Example: As a result of a natural disaster, the provider moves without notifying the service agent or appropriate staff in the Division of Regulated Child Care.

Non-fraud claims are calculated and documented on the DCC-99 Claim Referral. The client or provider must agree, sign, and adhere to a DCC-98 Repayment Agreement in order to receive subsidy payments. Once the repayment agreement is received by the service agent staff, copies of the DCC-98 Repayment Agreement, DCC-99 Claim Referral, DCC-99B Claim Calculation Worksheet, DCC-99C Client/Provider's Statement, and all documentation and verification used to establish and calculate the claim is forwarded to the Division of Child Care (DCC). DCC will enter the claim on KCD and no further action is necessary from the SA.

15.11 Agency Error (Revised 10/01/09)

Agency error claims are administrative errors caused by the action or inaction of service agent staff. **[Agency errors do not result in a claim.]**

An agency error exists if one of the following occurred:

- Policies, rules or statutes were not applied correctly by Cabinet or service agent staff.
- Staff fails to take timely action on a change when notified by the recipient, provider, other agency staff, interested party, or the change is known to the service agent.
- A provider reports accurately, but payments are issued incorrectly.

15.12 Determining the Amount of the Overpayment (Revised 10/01/09)

For Recipient: The overpayment amount is calculated based on the date of the occurrence and must include all service months with errors. If the recipient was totally ineligible from initial application, calculate the overpayment from the first day of services. If the overpayment occurs after initial application, the recipient is allowed ten (10) calendar days to report a change, ten (10) are allowed for the worker to take the action and ten (10) days are allowed for timely notice. This is known as the 10-10-10 rule.

Example: (CCIE)-Client applies for benefits on 11/01/06 and is approved 11/6/06. On 12/2/06 the client starts a job that exceeds the income limits. The client is given until 12/12/06 to report the change, the worker is given until 12/22/06 to complete the change and ten (10) days are allowed for adverse action, 01/01/07. The overpayment would start on **[01/02/07]**.

The 10-10-10 rule does not apply if a client does not report a known change at the time of application or on re-determination. If the client fails to report changes, the overpayment begins with the date of application or re-determination.

For Provider: Determine the time period of the error and calculate the monthly amount. The calculations must start with the date of occurrence and include all service months with errors.

15.13 Voluntary Repayment Agreement (Revised 10/01/09)

Repayment agreements are sent to the client/provider if a claim has been determined to a non-fraud claim. Even if it is suspected that there was an intentional violation, if the claim amount is less than \$5,000, the claim is classified as non fraud.

All repayment agreements must be in writing on the DCC-98 Repayment Agreement form with the original maintained by the designated service agency. A copy must be submitted to DCC with the DCC-99 Claim Referral Form. The service agency must develop a reasonable repayment plan based on the recipient or provider's ability to pay. Under no circumstances, is a payment to a provider adjusted to account for the overpayment unless the amount is being adjusted for the child for whom the service was paid and the month in which the overpayment occurred or if there was a paid PBF on the child. In those instances if a recoupment of benefit is taken from the provider's payment, DCC must be notified in writing of the amount and the date so that KCD can be updated with the correct balance of the claim.

15.14 Collections (Revised 10/01/09)

Once a claim has been sent to DCC with all required documentation, DCC will enter the claim on KCD. Collection notices will be computer generated. Balances and payments will be tracked on KCD. If a payment is received in the service agent's office for restitution of a claim, forward the payment to the Claims Management Section, 275 E. Main Street, 3E-I, Frankfort, Ky 40601. Once the payment is received by the Claims Management Section, a receipt will be computer generated.

If a client/provider is delinquent [ninety (90) days], payment to the provider or on behalf of the client are suspended until payment is received. A report will be sent by DCC to the service agency when a client/provider is identified as delinquent. Action to suspend payments is taken by the service agency within five (5) calendar days of notification of delinquent payments. If a provider is delinquent in payments, no future payments will be made to the provider until payment on the claim is received.

15.15 Claims Records

Claims information is maintained in a separate folder from the regular child care record folder. Once a claim has been identified, the child care record folder should be marked with a red X and "Claim Do Not Purge", written on the folder.

The client claims record folder should consist of:

- Verification of Income and Work Schedule, if applicable;

- Copy of recipient's signed application;
- Copy of recipient's rights and responsibilities form
- Child Day Care Service Agreement and Child Care Certificate
- Original of Claims Referral form or OIG referral form, whichever is applicable;
- Repayment Agreement, if applicable
- Provider Billing form;
- Client statement
- DCC-99 Claim Referral form
- DCC-99B Claim Calculation Worksheet
- DCC-99C Client/Provider's Statement
- Any other documentation verifying overpayment, including but not limited to, the investigation by OIG.

The provider claims record should consist of:

- Copy of signed Child Day Care Service Agreement and Child Care certificate,
- Registration for Child Care Provider's Home, Registration for Child Care Provider in Child's Home, which ever is applicable, including attachments;
- Copy of the Responsibility for Reporting Changes, Registered Child Care Provider Listing Form or Licensed or Certified Provider Listing form; Child Care Provider Self-Assessment in Provider's Home, which ever is applicable and including any attachments;
- Repayment agreement, if applicable
- Rights and Responsibilities Provider
- DCC-99 Claim Referral form
- DCC-99B Claim Calculation Worksheet
- DCC-99C Client/Provider's Statement
- Any other documentation verifying overpayment, including, but not limited to, the investigation by OIG.

Chapter 16

Agency Requirements

16.1 General Requirements

The service agent staff must insure that certificates and service agreements and payments are issued only to licensed, certified, and registered providers. Certificates are not considered by federal regulation as a contract, employment, or grant to the child care provider. They are considered assistance to the client who is eligible for the subsidy payment. Providers are not considered employees or contractors of the Cabinet or service agents.

The service agent must provide information to parents advising that if there is probable cause to believe an immediate threat to the health, safety, and welfare of children in the care of a provider, emergency action will be taken to terminate subsidy payments to that provider. See Chapter 8, Provider Closures.

The Cabinet and service agents must assure providers receiving subsidy payments funded by federal and state sources comply with all regulatory requirements. These requirements are contained in the following administrative regulations that can be accessed at www.lrc.ky.gov/kar/TITLE922.HTM

- 922 KAR 2:090 Child care center licensure
- 922 KAR 2:100 Certification of family child care homes
- 922 KAR 2:110 Child care facility provider requirements
- 922 KAR 2:120 Child care facility health and safety standards
- 922 KAR 2:180 Requirements for registered child care providers in the Child Care Assistance Program

With the exception of the regulation governing the registration of providers, all of these regulations are enforced by the Division of Regulated Child Care within the Office of the Inspector General.

16.2 Notice of Reduced Funding or Termination (Revised 10/01/09)

If benefits must be reduced or terminated due to federal or state funding issues, the Cabinet is required to provide a minimum thirty (30) calendar day notice to licensed, certified, and registered providers. In the event of such an occurrence, instructions will be provided by the Division of Child Care to the service agents.

When funding is limited, the priority, listed from first to last, for receiving services is:

- [Children receiving protective services and children with special needs.]
- TANF participants, including teen parents, a K-TAP recipient attempting to transition off assistance through employment, or a parent whose K-TAP case has been discontinued during the previous twelve (12) months and who need child care assistance in order to accept or retain employment.

- Other low income working parents and parents in education or training programs leading to self- sufficiency.]

16.3 Required Notice of Negative Action (Revised 10/01/09)

The service agent must provide written notice to the recipient of child care services ten (10) calendar days prior to benefits being:

- Reduced
- Discontinued

Notice is required when a child is removed from receiving child care benefits and whenever the family's eligibility for subsidy benefits is negatively impacted.

The notice used is a DCC-105 Notice of Adverse Action. The notice must indicate the reason for the negative action, cite the applicable administrative regulation, (which is 922 KAR 2:160) and extend the opportunity to the client to confer with the service agent staff or request further appeal.

Chapter 17

Service Appeals

17.1 Informal Resolution of Complaints (Revised 10/01/09)

If an applicant or recipient disagrees with a decision made by the service agent regarding denial, reduction, or termination of benefits, or has other concerns about the services provided by the service agent, the individual may request to meet with service agent staff [supervisor] on an informal basis to discuss his or her concerns to see if the issue(s) can be resolved.

The service agent staff [supervisor] shall arrange a time to meet with the individual(s) no later than five (5) working days from the date of the request to meet. The meeting shall be presided over by someone other than the staff whom the individual's informal complaint is being made against.

A written narrative of the meeting, including who attended, what was discussed and if resolved, how it was resolved, is kept on file by the service agent. The Division of

Child Care shall be copied on this information.

17.2 Notifying the Applicant/recipient of the Right to Appeal (Revised 10/01/09)

Service agent staff shall inform a family that:

- Appeal of a denial, reduction, or termination of benefits shall be submitted in writing to the Office of the Ombudsman within thirty (30) calendar days of the date of the negative action. If the service agent receives the service appeal, it is forwarded to the Quality Assurance Section of the Ombudsman's Office.
- If a family appeals a:
 - Reduction of benefits, child care assistance benefits shall be available at the reduced level during the appeal; or
 - Termination of benefits, child care assistance benefits shall **not** be available during the appeal.

The parent of a child receiving child care subsidy **cannot** appeal the termination or denial of a specific child care provider.

Parents are notified of their rights on the following forms:

- DCC-90 Application for Subsidized Child Care Assistance;
- DCC-90.1 Intent to Apply for Child Care Assistance;
- DCC-91 Client Rights and Responsibilities Sheet;
- DCC-94 Child Day Service Agreement and Certificate;
- DCC-105 Notice of Adverse Action.

Parents sign and receive a copy of the DCC-91 Client Rights and Responsibilities Sheet which verifies that the right to a service appeal has been communicated to the parent.

The service agent gives or mails a DCC-105 Notice of Adverse Action to an applicant or recipient upon denial, reduction, modification, or termination of child care assistance.

17.3 Applicant/Recipient-Process for Requesting a Service Appeal (Revised 10/01/09)

Upon denial, reduction, modification, or termination of child care assistance, the DCC-105 Notice of Adverse Action is given or mailed to the individual.

To request a service appeal, the applicant must file a written request for a service appeal with the Quality Assurance Section. Written requests must be made within thirty (30) calendar days of the date of the negative action. The cabinet or service agent shall assist the individual with the wording of the service appeal if the individual is unable to meet the written requirement without assistance.

When the Quality Assurance Section receives a written service appeal, a letter is sent to the applicant/recipient that:

- Explains the Cabinet's appeal process;
- Advises the applicant:
 - If the appeal is a hearable issue it will be forwarded to the Administrative Hearings Branch. The Administrative Hearing Branch will notify the applicant of the date, time, and location of the hearing.
 - If the appeal is on an issue this is not hearable, the applicant will be advised to contact the service agent for resolution of the problem.

The Division of Child Care and the service agent shall be copied on correspondence issued by the Quality Assurance Section and Administrative Hearings Branch.

A copy of all correspondence pertaining to the service appeal shall be kept on file by the service agent for a period of five (5) years.

17.4 Service Complaints

For resolution of a matter not subject to review through a **service appeal process**, the applicant/recipient may submit a grievance in writing to the Executive Director of the service agent no later than thirty (30) calendar days from the date of the service agent's action to which the client objects.

The service agent shall arrange a time to meet with the individual(s) no later than five (5) working days from the date of the request to meet. The meeting shall be presided over by someone other than the staff or the immediate supervisor of the staff whom the individual's informal complaint is being made against.

A written narrative of the meeting, including who attended, what was discussed and if resolved, how it was resolved, along with a copy of the grievance is kept on file by the

service agent for five (5) years. A copy of the narrative shall be sent to the Division of Child Care.

17.5 Right to Access to the Case Record

The case record may be reviewed upon request by the applicant or client of the Child Care Assistance Program. The case can also be reviewed by other parties with written authorization from the applicant or client.

The applicant or client may review any part of the case record except confidential information from someone other than the client, such as child protective services investigation information, and items verified through a system match such as birth verification using Kentucky Vital Events Tracking System (KVETS) or information verified using AKK0.

Inspection of a case record is conducted in the local office and care must be taken by the service agent that no part of the record is lost. If requested, copies of parts of the record pertinent to the issue(s) of the service appeal or complaint are provided to the applicant or client or his/her representative.

All efforts shall be made to give the client or applicant access to his/her case record on the date that access is requested or no later than one (1) business day from the date of the request.

17.6 Provider Appeals

Registered Providers

An applicant for registration or an approved registered child care provider may request an appeal in accordance with 922 KAR 1:320 if the cabinet or its designee denies or withdraws registration to an applicant, or revokes or closes a registered child care provider's status.

Each of the following forms contains language advising the applicant or registered provider of the right to appeal an action by the service agent:

- Registered Provider Packet
- DCC-108 Notice of Negative Action on Registered Provider Application
- DCC-110 Notice of Negative Action on Approved Provider

The service agent shall give or mail a DCC-108 Notice of Negative Action on Registered Provider Application to an applicant to whom registration is denied or withdrawn or DCC-110 Notice of Negative Action on Approved Provider to an approved provider when his/her status as a registered provider is revoked or closed.

To request an appeal the provider shall submit a written request to the Cabinet/designee within thirty (30) calendar days of the date of the denial, withdrawal, termination or revocation action.

Upon timely receipt of a written request for an appeal by the Cabinet/designee, if a person is denied registration, terminated or revoked as a registered child care provider, the request for appeal is forwarded to the Cabinet/designee for review and a written response.

Once the review of the service appeal is completed, a letter is sent to the individual from the Cabinet/designee on the status of the service appeal.

17.7 Central Registry (CA/N) Check - Registered Providers

An applicant for registration is denied or a registered provider's registration is revoked if a background check, pursuant to KRS.17.165, reveals a substantiated incident of child abuse or neglect.

If approval as a registered provider is denied based on the Central Registry Check, the provider receives service appeal information when the Division of Child Care (DCC) sends the notice of denial, including a copy of the DPP-154 Service Appeal and DPP-010 Open Records Request, via certified letter. The service agent is copied on this notice.

DCC is the respondent for Central Registry Check service appeals. The Commissioner's Office may contact division staff if information is needed on the provider.

17.8 Central Registry (CA/N) Check - Licensed Child Care Centers

The Division of Child Care also completes the Child Abuse/Neglect (CA/N) Check for licensed child care centers, including Type I and Type II centers regulated by the Division of Regulated Child Care (DRCC).

The results of the CA/N check is sent to the person in the licensed center who submitted the CA/N check request.

17.9 Central Registry (CA/N) Check - Certified Family Child Care Homes

CA/N checks for Certified Family Child Care Homes are conducted by the Division of Regulated Child Care (DRCC).

17.10 Criminal Records Check-Registered Providers

Service agent staff reviews registered provider criminal records checks. If approval or renewal as a registered provider is denied based on the criminal records check, the service agent sends either the DCC-108 Notice of Negative Action on Registered Provider Application or the DCC-110 Notice of Negative Action on Approved Provider to the provider. These notices advise the applicant or provider that if he or she thinks the action is unfair, they may call the service agent, and he or she can appeal the action within thirty (30) days after receiving the DCC 108 Notice of Negative Action on Registered Provider Application or DCC 110 Notice of Negative Action on Approved Provider by sending a written appeal to the Quality Assurance Section, Office of the Ombudsman.

Service agent staff may contact the Division of Child Care (DCC) for an opinion as to whether or not an applicant or approved registered provider should be denied registration, based on the individual's criminal record.

Applicant registration is denied if a criminal records check reveals the applicant or adult member of the applicant's household has been convicted of:

- A violent crime; or
- Sex crime.

Applicant registration is denied if a history of behavior exists that may impact the safety or security of a child in care including:

- A conviction related to the abuse or neglect of an adult;
- A conviction for a drug-related felony; or
- Other behavior or conditions indicating an inability to provide reliable child care.

17.11 Licensed Providers

If a licensure application has been denied or a licensee receives notice of suspension (emergency or non-emergency), revocation, preliminary or final order to close, the Division of Regulated Child Care (DRCC), Office of Inspector General (OIG), is responsible for providing written notification to applicants or providers of the right to appeal a decision by requesting an appeal within twenty (20) days of receipt of the notice of adverse action. These providers also have the right to request an informal dispute resolution and a hearing. DRCC is the respondent for licensed provider appeals.

The Division of Child Care (DCC) is notified when adverse action, including suspension, revocation or closure is taken on a licensed provider. DCC notifies the appropriate service agent and Child Care Resource and Referral (CCR&R) agency of Preliminary Closures, Final Closures, Emergency Suspensions and Non-Emergency Suspensions. Included in the notice is the name and address of the provider, the license number, and the number of Child Care Assistance Program children enrolled with the provider. If applicable, the date the CCAP payment to the provider would end.

See the Provider Requirements and Responsibilities, Chapter 13 for detailed information regarding adverse action on licensed providers.

17.12 Certified Providers

An applicant for child care certification or a certified family care home provider may request review of the following actions through an administrative hearing under 922 KAR 2:100, Certification of family child care homes:

- Denial of certification;
- An intermediate sanction;
- Suspension of certification for non-emergency situation; or
- Revocation of certification.

The Division of Regulated Child Care (DRCC), Office of Inspector General (OIG), is the respondent in administrative hearings granted to certified providers. The Division of Child Care (DCC) is notified when any of the above actions are taken on a certified family care home. DCC alerts the appropriate service agent and Child Care Resource and Referral (CCR&R) agency that an action has been taken. Included in the notice is the name and address of the provider, the certification number, and the number of

Child Care Assistance Program children enrolled with the provider. If applicable, the date the CCAP payment to the provider would end.
See the Provider Requirements and Responsibilities, Chapter 13 for detailed information regarding adverse action on certified child care providers.

Chapter 18

CHILD CARE FORMS

DCC-85	Approval for Child Care Assistance
DCC-85A	K-TAP Approval for Child Care Assistance
DCC-86	Referral for Low Income Child Care Assistance
DCC-87	Change Report for Child Care Assistance
DCC-90	Application for Subsidized Child Care Assistance
DCC-90.1	Intent to Apply for Child Care Assistance
DCC-90A	Certification of Applicant's School Enrollment
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DCC-90C	Residence-Household Verification
DCC-90D	Verification of Employment and Wages
DCC-90E	Child Care Assistance Program (CCAP) Inquiry
DCC-90F	Notice of Appointment/Request for Information
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DCC-90H	Transfer of Case Record or Material
DCC-90I	Work and School Schedule
DCC-90J	Self Employment Worksheet
DCC-90K	Farm Income Worksheet
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DCC-91	Client Rights and Responsibilities Sheet
DCC-91C	Authorized Representative Form
DCC-93	Authorization for Electronic Deposit of Vendor Payment (change form)
DCC-93A	Electronic Payment Authorization Form
DCC-94	Child Care Service Agreement and Certificate
DCC-94.1	Notification of Eligibility and Certificate for Child Care Services
DCC-94A	Registered Child Care Provider Information Form
DCC-94AB	Supplement-Rate Information Form
DCC-94B	Licensed or Certified Provider Information Form
DCC-94C	Provider Notification/Service Agreement Letter
DCC-94D	Provider Notification of Intent to Terminate Payment
DCC-95	Application for Registered Child Care Provider in Provider's Home
DCC-95A	Health Statement
DCC-96	Application for Registered Child Care Provider in Child's Home
DCC-97	Provider Billing Form
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DCC-99	Claim Referral
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DCC-99B	Claims Calculation Worksheet
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DCC-105	Notice of Adverse Action

DCC-105A	Notice of Client Eligibility
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DCC-108	Notice of Negative Action of Registered Provider Application
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DCC-110	Notice of Negative Action of Approved Provider
DCC-111	Parent Notice of Need to Change Child Care Providers
DCC-111.1	Parent Notice of Need to Change Child Care Providers (Licensed & Certified)
DCC-112	Selecting Quality Child Care for My Child
DCC-113	Child Care Assistance Program (CCAP) Information for Workers
DCC-202	Case File Checklist DCBS Approvals
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DCC-300	Kentucky Child Care Maximum Payment Rates Chart
AOC-PT-49	Administrative Office of the Courts Criminal Records Check – <i>Procedural Instructions</i>
DCBS-1	Informed Consent and Release of Information and Records – <i>Procedural Instructions</i>
DPP-010	Open Records Request – <i>Procedural Instructions</i>
DPP-154	Service Appeal – <i>Procedural Instructions</i>
DPP-156	Central Registry Check – <i>Procedural Instructions</i>
KSP	Request for Conviction Record/Child Care – <i>Procedural Instructions</i>
IRS W-9	Request for Taxpayer Identification Number and Certification – <i>Procedural Instructions</i>
Registered Provider Packet	

Links to the Forms

[DCC-85 Approval for Child Care Assistance.doc](#)

[DCC-85 Procedural Instructions.doc](#)

[DCC-85A KTAP Approval for Child Care Assistance.doc](#)

[DCC-85A Procedural Instructions.doc](#)

[DCC-86 Referral for Low Income Child Care Assistance.doc](#)

[DCC-86 Procedural Instructions.doc](#)

[DCC-87 Change Report for Child Care Assistance.doc](#)

[DCC-87 Procedural Instructions.doc](#)

[DCC-90 Application for Subsidized Child Care Assistance Hardcopy.doc](#)

[DCC-90 Spanish, Application for Subsidized Child Care Assistance](#)

[DCC-90 Hardcopy Procedural Instructions.doc](#)

[DCC-90.1 Intent to Apply for Child Care Assistance.doc](#)

[DCC-90.1 Spanish, Intent to Apply for Child Care Assistance](#)

[DCC-90.1 Procedural Instructions.doc](#)

[DCC-90A Certification of Applicants School Enrollment](#)

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[DCC-90B Child Support Verification.doc](#)

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[DCC-90C Residence - Household Verification.doc](#)

[DCC-90C Procedural Instructions.doc](#)

[DCC-90D Verification of Employment and Wages.doc](#)

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[DCC-90E Procedural Instructions.doc](#)

[DCC-90F Notice of Appointment Request for Information.doc](#)

[DCC-90F Procedural Instructions.doc](#)

[DCC-90G Irregular Work Form.doc](#)

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[DCC-90I Work and School Schedule.doc](#)

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[DCC-90J Self Employment \(Non-Farm\) Income Worksheet.doc](#)

[DCC-90J Procedural Instructions.doc](#)

[DCC-90K Self Employment \(Farm\) Income Worksheet.doc](#)

[DCC-90K Procedural Instructions.doc](#)

[DCC-90L Student Work Verification.doc](#)

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[DCC-91 Client Rights and Responsibilities Sheet.doc](#)

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[DCC-91C Authorized Representative Form.doc](#)

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[DCC-93 Authorization for Electronic Deposit of Vendor Payment \(change form\).doc](#)

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[DCC-93A Electronic Payment Authorization Form and Instructions](#)

[DCC-94 Child Care Service Agreement and Certificate.doc](#)

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[DCC-94A Registered Child Care Provider Information Form.doc](#)

[DCC-94A Spanish, Registered Child Care Provider Information Form](#)

[DCC-94A Procedural Instructions.doc](#)

[DCC-94AB Supplement - Rate Information Form.doc](#)

[DCC-94AB Supplement Procedural Instructions.doc](#)

[DCC-94B Licensed or Certified Provider Information Form.doc](#)

[DCC-94B Spanish, Licensed or Certified Provider Information Form](#)

[DCC-94B Procedural Instructions.doc](#)

[DCC-94C Provider Notification Service Agreement Letter.doc](#)

[DCC-94C Procedural Instructions.doc](#)

[DCC-94D Provider Notice of Termination Payments.doc](#)

[DCC-94D Procedural Instructions.doc](#)

[DCC-95 Application For Registered Child Care Provider In Providers Home.doc](#)

[DCC-95 Spanish, Application for Registered Child Care Provider In Providers Home](#)

[DCC-95 Procedural Instructions.doc](#)

[DCC-95A Health Statement.doc](#)

[DCC-95A Procedural Instructions.doc](#)

[DCC-96 Application for Registered Child Care Provider in Childs Home.doc](#)

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[DCC-97 Provider Billing Form.doc](#)

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[DCC-98 Repayment Agreement.doc](#)

[DCC-98 Procedural Instructions.doc](#)

[DCC-99 Claim Referral.doc](#)

[DCC-99 Procedural Instructions.doc](#)

[DCC-99A OIG Fraud Referral.doc](#)

[DCC-99A Procedural Instructions.doc](#)

[DCC-99B Claim Calculation Worksheet.doc](#)

[DCC-99B Procedural Instructions.doc](#)

[DCC-99C Client Provider Statement.doc](#)

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[DCC-100 Potential Claims Appointment Letter.doc](#)

[DCC-100 Procedural Instructions.doc](#)

[DCC-105 Notice of Adverse Action.doc](#)

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[DCC-105A Notice of Client Eligibility.doc](#)

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[DCC-106 Notice of Requirements for Pending Registered Provider Application.doc](#)

[DCC-106 Procedural Instructions.doc](#)

[DCC-107 Registered Provider Approval Notice.doc](#)

[DCC-107 Procedural Instructions.doc](#)

[DCC-107.1 Notice of Registered Provider Renewal.doc](#)

[DCC-107.1 Procedural Instructions.doc](#)

[DCC-108 Notice of Negative Action on Registered Provider Application.doc](#)

[DCC-108 Procedural Instructions.doc](#)

[DCC-109 Request to Document Health and Safety of Household Member Turning 18 years.doc](#)

[DCC-109 Procedural Instructions.doc](#)

[DCC-110 Notice of Negative Action on Approved Provider.doc](#)

[DCC-110 Procedural Instructions.doc](#)

[DCC-111 Parent Notice of Need to Change Provider.doc](#)

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[DCC-111.1 Parent Notice of Need to Change Providers.doc](#)

[DCC-111.1 Procedural Instructions.doc](#)

[DCC-112 Selecting Quality Child Care for My Child.doc](#)

[DCC-112 Procedural Instructions.doc](#)

[DCC-113 Child Care Assistance Program \(CCAP\) Information for Workers.doc](#)

[DCC-113 Procedural Instructions.doc](#)

[DCC-202 Case File Checklist DCBS Approvals.doc](#)

[DCC-202 Procedural Instructions.doc](#)

[DCC-202 Case File Checklist CCIE.doc](#)

[DCC-202 Procedural Instructions.doc](#)

[DCC-300 Kentucky Child Care Maximum Payment Rate Chart.doc](#)

[DCC-300 Procedural Instructions.doc](#)

[AOC PT-49 Administrative Office of the Courts CRC](#)

[AOC PT-49 Procedural Instructions.doc](#)

[DCBS-1 Informed Consent and Release of Information and Records](#)

[DCBS-1 Spanish, Informed Consent and Release of Information](#)

[DCBS 1 Procedural Instructions.doc](#)

[DPP-010 Open Records Request](#)

[DPP-010 Open Records Request Procedural Instructions.doc](#)

[DPP-154 Service Appeal](#)

[DPP-154 Service Appeal Procedural Instructions.doc](#)

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[DPP-156 Central Registry Check](#)

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[KSP-1 Request for Conviction Records Day Care \(KSP form\)](#)

[DCC-93A KY Electronic Payment Authorization Form Insert](#)

[W-9 Request for Taxpayer ID Number and Certification](#)

[Registered Provider Packet](#)

Chapter 19

Policy Clarifications



**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR COMMUNITY BASED SERVICES**

Steven L. Beshear
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Janie Miller
Secretary

PC-10-21-09

TO: CCAP Service Agents

FROM: Mary Beth Jackson *MBJ*
Director

DATE: November 4, 2009

SUBJECT: Policy Clarification – Provider Requirements and Responsibilities – MS 13
(Rescinds PC dated 9/1/09)

SITUATION: DCC and DRCC are receiving questions regarding payment when notification is received of provider changes such as but not limited to change of address, expired license/renewal, and change of ownership.

QUESTION: When should payment(s) cease upon notification of a change of address, expired license/renewal, change of ownership or an emergency closure?

RESPONSE: Upon receipt of verification (i.e., signed written statement or copy of bill of sale noting effective date) that a change of ownership, change of address or other provider change has been initiated with DRCC, the CCAP agent will continue payment to the current payee during the transition period not to exceed thirty (30) days. The current owner will also be responsible for taxes on any CCAP payments received during this transition period.

Payments to providers with an expired license will be terminated fifteen (15) calendar days after the provider's expiration date.

CCAP payments and child care arrangements will be terminated immediately if the Cabinet initiates an emergency closure through a child protective services investigation involving the provider, an employee, or family member and determines safety concerns have not been adequately addressed.

The provider will be notified of the discontinuance of CCAP Payments using the DCC-94D Provider Notification of Intent to Terminate Payment.

If you have additional questions, please contact Patti Smith-Glover at (502) 564-2524.

DCC/MBJ/PSG



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Janie Miller
Secretary

PC-09-09-28

TO: CCAP Service Agents
FROM: Mary Beth Jackson, Director
Division of Child Care
DATE: October 20, 2009
SUBJECT: First Claim Month- MS 15.3

Situation: Client goes on maternity leave and does not report the change in a timely manner.

Question: When figuring the first month of the claim do we allow 10-10-10 or does the claim start on the first day of maternity leave?

Response: Yes, the 10-10-10 rule is applied to all claims unless the first month of the claim is an application or redetermination month. In these instances the 10-10-10 rule is not applied and the claim begins with the date of the application or redetermination.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

DCC/MBJ/CD



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Janie Miller
Secretary

PC-09-09-27

TO: CCAP Service Agents
FROM: Mary Beth Jackson
Director
DATE: October 13, 2009
SUBJECT: Policy Clarification – MS 6.4 Excluded Income

Situation: An applicant is employed with the Census Bureau and is expected to remain employed for eleve months.

Question: Is this temporary employment income excluded or is the income countable?

Copy of the
question

Clarification: Wages from this employment is excluded regardless of the duration of the job.

If you have additional questions, please contact Patti Smith-Glover at (502) 564-2524.

DCC/MBJ/PSG

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Janie Miller
Secretary

PC-09-09-28

TO: CCAP Service Agents

FROM: Mary Beth Jackson
Director

DATE: September 24, 2009

SUBJECT: **Policy Clarification – MS 6.6 Child Support and/or Spousal Support
MS 6.12 Unearned Income**

Situation: Client is receiving child support, she has an attorney and wants to set up her payments so that the money goes directly to a trust fund for the children when they get older.

Question: Do we count this as unearned income?

Clarification: Yes, child and/or spousal support payments should be counted as unearned income. All money payments can be construed as a gain or benefit.

If you have additional questions, please contact Lynn Skelton at (502) 564-2524.

DCC/MBJ/LS



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Janie Miller
Secretary

PC-09-09-26

TO: CCAP Service Agents

FROM: Mary Beth Jackson
Director

DATE: September 21, 2009

SUBJECT: Policy Clarification – MS 6.5 Excluded Income, MS 6.12 Unearned Income

Situation: None Provided.

Question: Should we exclude payments made by a third party? The excluded income section (manual 5, 8th bullet), the instruction is to exclude the income but in the unearned income section (manual 6.12, first paragraph and 4th bullet), it seems the instruction is to count the third party payment. (Manual sections based on manual version effective 8/1/09)

Clarification: MS 6.5 addresses excluded income. The section states, "Payments made directly to a third (3rd) party such as a doctor, pharmacist, landlord, utility provider, etc. by another individual or organization on behalf of a family member" are considered excluded income.

MS 6.12 addresses countable unearned income paid to the household. The section states, "All money payments from any source which can be construed as a gain or benefit, including, but not limited to royalties, payments from government sponsored programs unless otherwise excluded, and contributions from individuals not living with the family."

Example: The mother of the applicant pays the applicant's rent for her each month and provides a statement that she pays this money directly to the landlord. This would be a third (3rd) party payment and would be considered excluded income. However, if the mother gave the money directly to the applicant for her rent, then the income would be countable as unearned income.

If you have additional questions, please contact Justin Mullins at (502) 564-2524.

DCC/MBJ/JM



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Janie Miller
Secretary

PC-09-09-25

TO: CCAP Service Agents

FROM: Mary Beth Jackson
Director

DATE: September 21, 2009

SUBJECT: **Policy Clarification** – Verification & Documentation of Parental Relationship
MS 5.7 Eligible Living Situations, MS 1.21 Glossary (In Loco Parentis) (Parent)
MS 1.18

uation: None Provided.

Question: Please clarify what is accepted as verification of custody/guardianship, and whether this is always needed in case notes or only if there is reason to question the status of the child.

Clarification: Policy requires workers to verify the relationship between the child needing care and the person acting as the parent for all cases. MS 1.21 defines a parent as, "A parent by blood, marriage, or adoption and, also means a legal guardian, or other person standing in loco parentis" and defines in loco parentis as, "A person acting in place of a parent, including a legal guardian, an individual related by blood, marriage, or adoption of child or a non-relative, if the non-relative shows verification of pursuit of legal custody with one year of application."

Acceptable forms of verification include, but are not limited to:

- birth records,
- court documents,
- marriage records,
- statements from P&P, or
- third (3rd) party verification from a reliable source for a parent caring for a child in loco parentis who has yet to obtain any form of legal custody or guardianship for the child needing care.

A combination of these forms of verification may be needed to establish the relationship between the child needing care and the individual acting as the parent.

Policy Clarification -- Verification & Documentation of Parental Relationship

September 9, 2009

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For a non-relative parent acting *in loco parentis* who does not have any type of court document verifying their status as a parent there is an additional requirement that they pursue and obtain some form of legal custody or guardianship within one year of the initial application.

Case comments should be entered in all cases to thoroughly document the relationship between the child and the parent and what form of verification was used to establish the relationship. Additionally, case comments should be entered to document that an *in loco parentis* non-relative has been informed of the requirement to pursue and obtain some form of legal status in regards to the child needing care within one year.

If you have additional questions, please contact Justin Mullins at (502) 564-2524.

DCC/MBJ/JM



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Janie Miller
Secretary

PC-09-09-24

TO: CCAP Service Agents
FROM: Mary Beth Jackson
Director
DATE: September 21, 2009
SUBJECT: **Policy Clarification – Child Support Verification – MS 6.6**

Situation: An error was cited on a case for the Federal Improper Payment Review because the worker obtained verification of Child Support payments from the ReliaCard system provided to CCAP Fiscal aff.

Question: Can ReliaCard statements be accepted as verification of Child Support payments if they are provided by the applicant?

Clarification: No. ReliaCard statements, whether provided by the client or obtained through available system accesses, are not an appropriate form of verification of Child Support income. Because some of the monies deposited to the card may be from lump sums, back payments, tax intercepts, or other one (1) time only payments, they may not be representative of ongoing income and should not be included in the calculation of income. See Manual Section 6.6 for policy regarding the accepted forms of Child Support verification.

If you have additional questions, please contact Justin Mullins at (502) 564-2524.

DCC/MBJ/JM





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Janle Miller
Secretary

PC-09-09-23

TO: CCAP Service Agents

FROM: Mary Beth Jackson
Director

DATE: September 21, 2009

SUBJECT: Policy Clarification – Birth verification for out of state child – MS 5.2

Situation: Family consists of two children needing care and birth verification was only available for the one child that was born in Kentucky.

Question: How is the second child considered in the household composition when required verification not available at the time of the application?

Response:

Until the birth date is verified, consider the second child as a child in the case not needing care. The following are ways in which the worker can help the family obtain the requested information.

If the birth verification for the second child must be obtained from out-of-state, make every effort to assist the individual in obtaining the verification. Such assistance includes contacting the other state's birth records office or helping the individual to submit a written request for a birth certificate from the other state. The attached link can be given to the client to assist in their obtaining birth verification from other states. <http://www.vitalchek.com>

The following are acceptable verification of the child's age:

1. State authorized/numbered birth certificate (including delayed registration at least one year old);
2. Verification of birth registrations through IMS Program, Birth Certificate Inquiry (Birth Index File);
3. Hospital record (containing the child's name, date of birth, parents' names, hospital name and address and official signature of hospital personnel);
4. Baptismal record;
5. Statement from attending physician/midwife;
6. Adoption record; or
7. INS records (e.g., passport, immigration papers which includes child's name and birthdate).

The CCAP Manual will be updated to reflect this policy.

If you have additional questions, please contact Heather Richardson at (502) 564-2524.

DCC/MBJ/HR



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Janie Miller
Secretary

PC-09-09-22

TO: CCAP Service Agents

FROM: Mary Beth Jackson, Director
Division of Child Care

DATE: September 21, 2009

SUBJECT: Policy Clarification – Self Employment/Seasonal Workers – MS 5.10

Situation: A seasonal farm worker contacts the office to report that they are temporarily out of work.

Question: Is there a time limit that the client is allowed to be out of work prior to discontinuing the case?

Response:

Yes, seasonal farm workers are considered self employed individuals, this would be considered as a break in their employment. The worker would enter a case change date four (4) weeks from the last date worked and a history note to review employment status at the end of the four (4) weeks. Contact the client at the end of the four (4) weeks to verify that the work requirements are being met.

If you have additional questions, please contact Heather Richardson at (502) 564-2524.

DCC/MBJ/HR



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Janie Miller
Secretary

PC-09-09-21

TO: CCAP Service Agents

FROM: Mary Beth Jackson,
Director

DATE: September 21, 2009

SUBJECT: **Policy Clarification – Eligibility Change – M.S. 2.5, Eligibility Periods & M.S. 2.7, Required Forms for Approval Actions**

Situation: A client's CCIE was discontinued this past summer. She recently came back in to reapply under a new eligibility type.

Question: Does she start a new eligibility period for twelve (12) months?

Response: Yes, this case is processed like a new application. If the application is approved for benefits, the client is approved for a new twelve (12) month period.

Question: Are all forms required to be signed and turned in again?

Response: Yes, the service agent is responsible for getting required forms for application processing signed and turned in at every application.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

DCC/MBJ/TKW



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Janie Miller
Secretary

PC-09-09-20

TO: CCAP Service Agents
FROM: Mary Beth Jackson, Director
Division of Child Care
DATE: September 16, 2009
SUBJECT: Extraordinary Absences-MS 9.4

Situation: Provider completes PBF using code 45 in the middle of the month before all five code 40's have been used.

Question: Can a code 45 be used before all five code 40's have been used in a month?

Response: Yes, the provider is entitled to bill for five (5) excused absences in addition to extraordinary absences during a month. Since the licensed provider must get and maintain written documentation supporting the payment of a code 45, this code can be used at any time during the month. For example, a child is absent for two (2) days at the beginning of the month and five (5) days in the middle of the month because of a death in the family, and then three (3) more days at the end of the month. The days coded with 45's would be in the middle of the month as these are the days the written documentation covers. The last three (3) days of absence for the month would be coded as 40's, as only two (2) of the five (5) days of 40s had been allowed previously in the month.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524

DCC/MBJ/CD



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Janle Miller
Secretary

TO: CCAP Service Agents
FROM: Marybeth Jackson
Director
DATE: September 2, 2008
SUBJECT: Income Calculation Procedures - MS 6.4 & 6.7

Situation 1: An applicant applies for benefits and has not yet received their pay check for the last pay period of the prior month?

Question: What months constitute prior two (2) months from application?

Response: For income verification purposes the prior two (2) months includes all income actually received by the applicant, not the pay periods for, the two (2) calendar months preceding the month in which application is made or intent to apply is received.

Example: An applicant who files an intent to apply on August 27th and comes in for the interview on September 2nd would need to provide verification of all income actually received during June and July.

Situation 2: An applicant returns only partial checks for the prior two (2) months and the wages are inconsistent.

Question: What are the procedures when an applicant returns less than prior two (2) months verification if the applicant's income is inconsistent?

Response: An applicant with inconsistent income must provide verification of prior two (2) months income. The worker should send a DCC-90F Notice of Appointment/ Request for Information and DCC-90D Verification of Income requesting the missing information and informing the applicant of the due date to return the information.

The initial date of application is **not extended** due to an applicant's failure to provide sufficient verification but the worker should take every reasonable effort to assist the applicant and keep them apprised of whether verification returned was incomplete or insufficient.



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Janie Miller
Secretary

In many instances when an applicant returns partial checks the Year To Date figures on the check stubs can be used to calculate one (1) missing check. Workers should not use Year To Date amounts if there is a gap of more than one (1) consecutive pay period.

Situation 3: An applicant returns only partial verification of the prior two (2) months income and the income is the same each pay period.

Question: What are the procedures when an applicant returns less than prior two (2) months verification if the applicant's income is consistently the same each pay period?

Response: If the income is the same every pay period and the client concurs that the amount is accurate then less than the prior two months can be used. The worker MUST document in case comments why less than two (2) months verification was accepted.

Situation 4: An applicant with more than two (2) months of prior work history with their employer states they do not keep their check stubs but has a statement of hours and wages from their employer?

Question: Can a DCC-90D Verification of Income or written statement from an employer which only verifies work hours and rate of pay be accepted as verification of income if the applicant has two months or more work history with employer but does not save check stubs?

Response: No. If the client has a work history with the employer of two (2) months or more then the worker needs to obtain verification of the prior two (2) months actual wages. The applicant can get the DCC-90D Verification of Income completed by the employer who can verify the actual income received.

Employer anticipated wages (hours and rate of pay) is only a valid form of verification for a new job with less than two (2) months of work history or when a change to the employee's work schedule or rate of pay makes the prior two (2) months not an accurate reflection of the client's ongoing income.

If you have additional questions, please contact Justin Mullins at (502) 564-2524.



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Secretary

PC-04-09-18

TO: CCAP Service Agents

FROM: Linda Lingle
CCAP Supervisor

DATE: June 19, 2009

SUBJECT: **Policy Clarification – Registered Provider Child Care Ratios – MS 12.6**

Situation: A provider is applying that has listed her seven children under the age of 18.

Question: Can she provider care for two other children? The regulation states no more than eight unrelated/related children. What is the age on that, eight under the age of thirteen or eighteen?

Response:

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

LL/cwd



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Janie Miller
Secretary

PC-04-09-18

TO: CCAP Service Agents

FROM: Linda Lingle 
CCAP Supervisor

DATE: April 28, 2009

SUBJECT: Policy Clarification – Ready to work income Section-6.5

Situation: An applicant is approved for child care assistance through the DCC-85A process. The applicant is attending college and receives ready to work funds.

Question: How is ready to work income considered when figuring a family's countable income?

Response: Ready to work income is countable as part of a family's income when determining eligibility, except any portion that is earmarked for tuition or other educational related expenses.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

LL/cwd



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Janie Miller
Secretary

PC-04-09-19

TO: CCAP Service Agents

FROM: Linda Lingle
CCAP Supervisor

DATE: April 27, 2009

SUBJECT: Self Employment – Verifying Self-Employment Income – Manual Section – 6.9

Situation: There is a case with cohabitating parents. The couple own and operate B & K automotive. The business has been in operation since July 2008. The applicants have submitted 2008 tax documents to verify earnings. The couple was not able to file a joint return due to them not being married. The taxes were filed as an individual return with the one parent as the sole owner. A statement was submitted from one parent advising that both parents own and operate the business together.

Question: Can the tax documents be used to verify earnings for both? If not, how do I verify earnings for the other parent?

Response: In this situation, it is the client's responsibility to provide documentation that verifies employment. Ask the client whose name the business is licensed under and to provide a copy of the business license. If the business is licensed under the name of both individuals, divide the income between both parties in determining technical eligibility. If they do not have, or cannot provide, verification from a third party, the business will have to be considered a sole proprietorship.

Reference should be made to manual sections 5.9 -Verifying Work Hours and 6.9 -Verifying Self Employment for both individuals. Please be sure to document the case action taken to verify eligibility in this specific situation.

If you have additional questions, please contact Phillip Smith at (502) 564-2524.

LL/ps



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Janie Miller
Secretary

PC-03-09-17

TO: CCAP Service Agents

FROM: Sandra Noble Cannon
Director 

DATE: March 24, 2009

SUBJECT: Policy Clarification – Eligibility During the Application Process –
M.S. 2.4 Case Action on Application

Situation: A client applied for child care assistance on 1/29/2009. The wife's employer verified employment beginning on 2/2/09 and ending (due to termination) on 2/9/09. The client has not reported this job loss.

Question(s): Should this application be denied meaning that no enrollments or payments take place for the entire application period? If so, when changes occur during the application period which results in an otherwise eligible client becoming ineligible, should the client always be denied?

Response: Yes, the application should be denied because the wife does not have ongoing wages that average twenty (20) hours per week. If the client becomes ineligible during the application period due to changes, the application should be denied as there was no initial eligibility. The Operation's Manual will be revised to include this information in M.S. 2.4 Case Action on Application.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

SNC/tkw



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Janie Miller
Secretary

PC-03-09-16

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director

DATE: March 20, 2009

SUBJECT: Policy Clarification – Enrollment Changes Section-14.4

Situation: An applicant is approved for CCAP benefits multiple times within a twelve-month period and selected a new provider each time. This selection would result in a fourth provider change in a twelve-month period.

Question: Does the policy of "no more than three provider changes in a twelve-month period" apply to applicants with multiple approvals in a twelve-month period.

Response: Clients can only change providers three times in a twelve-month period regardless of the number of initial approvals. The only exceptions to this policy are if all of the applicant's previous providers failed to have an open slot, or the reason falls within the guidelines outlined in manual section 14.4.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

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Janie Miller
Secretary

PC-03-09-15

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director

DATE: March 20, 2009

SUBJECT: Policy Clarification – P&P case closes prior to DCC 85 end date. Manual Section 3.6

Situation: Protection and Permanency (P&P) notifies DCC that a P&P case closes prior to the end date on the DCC 85 approval.

Question: Does the CCAP case remain active, or is the case discontinued when the P&P case closes?

Response: The DCC 85 approval remains active until the DCC 85 end date. The Operations Manual, Manual Section 3.6 will be revised to include this policy clarification regarding P&P cases closing prior to the end date on the DCC 85 approval.

If you have additional questions, please contact Heather Richardson at (502) 564-2524.

SNC/hr



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Janie Miller
Secretary

PC-03-09-13

TO: CCAP Service Agents

FROM: Sandra Noble Cannon
Director

DATE: March 4, 2009

SUBJECT: Policy Clarification – Temporary absence of second parent due to placement in rehabilitation facility. Manual Section- 5.9, 6.2

Situation: An applicant is applying for child care assistance for her three children. The household composition is the mother, father and their three children. The mother states the father has been placed in an alcohol rehabilitation center for one year.

Question: Does the father count in the household size?

Response: No, the father is not considered in the household until he returns to the home. Hospitalization will need to be verified regarding the absence. Upon returning to the home, the father would be added to the case, and the household would be required to meet all technical eligibility requirements. Spot check the case quarterly to re-verify the household composition. The Operation Manual, Manual Section 5.9 and 6.2, will be revised to include policy on temporary absence of a parent.

If you have additional questions, please contact Heather Richardson at (502) 564-2524.

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PC-03-09-16

<http://chfsnet.kv.gov/cfs/dcbs/dcc/>

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director

DATE: February 26, 2009

SUBJECT: **Policy Clarification – Alternating Work Schedule with Unemployment – MS 5.10, MS 6.3**

Situation: An applicant's employer is shutting down every two (2) weeks for a two (2) week period during which time the applicant is drawing unemployment.

Question 1: How is the income calculated for this case?

Response 1: The income for this case should be calculated for average monthly income for both the wages and the unemployment. See Example below.

Example:

An applicant is working 40 hours/week at \$7.00/hour and is paid bi-weekly. However, for the last several months the employer has closed the factory where the applicant works every two (2) weeks for a two week period. During the period of closure the applicant is drawing \$400.00 in unemployment benefits. The income would be calculated as follows.

1. For KICCS to correctly calculate the wages the client's income will have to be input in the following manner.

Pay Week 1: Amount of actual pay
\$560.00

Pay Week 2: \$0.01
\$0.01

Pay Week 3: Amount of actual pay
\$560.00

Pay Week 4: \$0.01
\$0.01

KICCS will compute the case as follows

$\$560.00 + \$560.00 + \$0.01 + \$0.01 = \$1120.02 \rightarrow$ (2 month total)

$\$1120.02 \div 4 = 280.01 \rightarrow$ (average income/pay period)

$\$280.01 \times 2.167 = \$606.78 \rightarrow$ (average monthly income counted in case)



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Secretary

This entry will allow KICCS to recognize the weeks in which the client is without pay without affecting the amount that is counted in the case. Service Agent staff should manually calculate the income and compare the amounts to insure correct system calculation. Failure to correctly follow this procedure will result in an incorrect calculation of the applicant's income.

2. Unemployment income received is to be manually calculated as follows when it is received on an inconsistent or alternating basis.

$$\text{Total Pay Periods/Year} \times \text{Rate of Payment} \div 12 = \text{Average Monthly Income}$$

Therefore, if a client is paid unemployment benefits of \$400.00 every fourth week the calculation is to be completed in the following manner.

$$52 \text{ weeks/year} \div 4 \text{ (number of weeks in pay period)} = 13 \text{ Total Pay Periods/Year}$$

$$\begin{array}{rccccccc} \text{Total Pay Periods/Year} & \times & \text{Rate of Payment} & \div & 12 & = & \text{Average Monthly Income} \\ 13 & \times & \$400.00 & \div & 12 & = & 433.33 \end{array}$$

Question 2: Is the applicant eligible to attend child care during the period the applicant is laid off?

Response 2: Yes. Since the applicant will remain eligible during the break in hours (See **MS 5.10 Break in Work Hours**) the child is eligible to attend child care. The applicant should be notified that DCC will only pay for five (5) absences per month for a licensed provider and that the payments are based upon actual attendance and not enrollment. DCC will not pay for additional days above the five (5) allowed absences per month in order to maintain the child's enrollment with a facility.

If you have additional questions, please contact Justin Mullins at (502) 564-2524.



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Secretary

PC 02-09-12

<http://chfsnet.ky.gov/cfs/dcbs/dcc/>

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director

DATE: February 23, 2009

SUBJECT: Policy Clarification – Unemployment & Required Job Training

Situation: An applicant who has been laid off and is receiving Unemployment Benefits has applied for assistance. Through the Trade Act, the Unemployment office has waived the job search requirement for the applicant but is requiring that the applicant attend a job training program twenty (20) hours per week in order for benefits to continue.

Question: Does this client meet the minimum work requirements to be eligible for benefits?

Response: Yes. Since the applicant is required to be in the job training program twenty (20) hours per week as a factor of eligibility for Unemployment Benefits, the job training is considered unpaid work. The guidelines outlined in MS 5.9 Work Requirements for Low Income Families, pertaining to student teaching, internships, and practicum, would apply in this situation. The applicant would be responsible for verifying the requirement and the hours of attendance. The Operations Manual will be revised to address these types of cases.

If you have additional questions, please contact Justin Mullins at (502) 564-2524.



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Janie Miller
Secretary

PC-02-09-10

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: February 19, 2009

SUBJECT: Policy Clarification – Proof of Identification of the Applicant – M.S. 1.17, M.S. 2.2 & M.S. 2.8

Situation: Manual Section 1.17 of the Operation's Manual states a child care case record shall contain the following: Proof of identification of a person applying for assistance – Driver's license, Student ID, Military ID, Social Security Card. Manual Section 2.2 states to view and copy proof of identity of the applicant. Manual Section 2.8 does NOT state that verification of applicant is required in the list of what is needed in the case record.

Question: Is proof of identification for the applicant required? If required, is a Social Security card acceptable?

Response: Yes, proof of identification of a person applying for child care assistance is required and a Social Security card is acceptable as proof of identification. The Operation Manual, Manual Section 2.8 will be revised to include proof of identification for the applicant.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

SNC/tkw



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Janie Miller
Secretary

PC-02-09-07

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: February 17, 2009

SUBJECT: Policy Clarification – Unearned Income/Adoption Subsidy MS 6.11

Situation: An applicant is applying for CCAP benefits for children she is in the process of adopting. The applicant is receiving monthly Adoption Subsidy payments.

Question: Would this be countable or excluded income?

Clarification: This income would be countable unearned income to the household. This is covered in the manual under MS 6.11 Unearned Income which defines unearned income as "All money payments from any source which can be construed as a gain or benefit, including...payments from government sponsored programs...and contributions from individuals not living with the family."

If you have additional questions, please contact Justin Mullins at (502) 564-2524.



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Janie Miller
Secretary

PC-02-09-09

TO: CCAP Service Agents
FROM: Sandra Noble Canon, Director
DATE: February 16, 2009
SUBJECT: Policy Clarification – Registered Provider Renewal – MS 12.3, 12.7

Situation: A registered provider has provided a DCC-95A Health Statement as part of their renewal process which was completed by a physician. The physician added a statement indicating that the information was being based upon an exam which was done over a year prior.

Question: Can this Health Statement be accepted for the renewal process?

Response: No. The applicant must provide up-to-date verification showing that there has been no significant changes to his/her personal health or ability to provide an appropriate environment for children placed in his/her care. The worker would need to send a DCC-106 Notice of Requirements for Pending Registered Provider Application to the applicant notifying them that the verification received is insufficient and the date by which it must be received. The Operations Manual will be revised to add parameters concerning Health Statements.

If you have additional questions, please contact Justin Mullins at (502) 564-2524.



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Janie Miller
Secretary

PC-02-09-08

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: February 12, 2009

SUBJECT: Policy Clarification -- Disabled Single Parent Homes Manual Section-5.9

Situation: A single parent is receiving SSI and attending school full time. Parent is not working at this time. Child receives K-TAP.

Question: Can the client receive child care assistance through CCAP if she/he is not meeting the work requirement of an average of 20 hours per week because she/he is disabled and receives SSI?

Response: Any single parent home, regardless of receiving SSI or not, must meet the weekly work requirement of an average of 20 hours.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

SNC/cwd



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Janie Miller
Secretary

PC-01-09-03

TO: CCAP Service Agents

FROM: Sandra Noble-Cannon
Director 

DATE: January 30, 2009

SUBJECT: Policy Clarification – Registered Provider Records, M.S. 1.19

Situation: The CCAP Manual only addresses the purging of case records.

Question: How often can registered provider records be purged?

Response:

Provider records can be purged after three (3) years as long as there is no claim.

Provider records involved in a claim may be purged three (3) years after the claim is paid in full.
Any claim involved in an audit cannot be purged until the audit is complete.

Manual Section 1.19 Purging Records will be revised to include purging of registered provider records.

If you have additional questions, please contact Phillip Smith at (502) 564-2524.

SNC/ps



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Janie Miller
Secretary

PC-01-09-06

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director

DATE: January 26, 2009

SUBJECT: Policy Clarification – Self-Employed Family Receiving Unemployment
MS 5.9, MS 6.8, MS 6.9

Situation: A two-parent household owns a business and has removed themselves from the company's payroll due to the current market reducing profits. The parents have applied for and been approved for Unemployment Benefits but still continue to work and operate the business.

Question 1: Would the family be eligible for CCAP benefits?

Response 1: The family could potentially be eligible. A determination of the number of hours worked by each parent would need to be made for purposes of technical eligibility. According to MS 5.9 Work Requirements for Low Income Working Families, two (2) parent families are required to work a combined average of (forty) 40 hours per week with the minimum hours for either parent being (five) 5 hours per week.

Question 2: How should the income be counted in the case?

Response 2: Self-employment income is counted annually or by the period for which it was received depending upon how long the enterprise has been in operation. Since market fluctuations are a part of the normal business pattern with self-employment, the current market would not be a consideration unless the self-employment enterprise is no longer in operation. Additionally, any amounts of Unemployment Benefits being received by the household would be countable as Unearned Income as the Office of Employment and Training has indicated that the family should not be eligible for Unemployment Benefits if they are still actively working for the company regardless of whether they have removed themselves from payroll or not. Unemployment should be notified of the discrepancy so that they can investigate the case.

Since the family is still actively involved in the self-employment enterprise the income would be counted as outlined in MS 6.8 Self-Employment.

1. If the self-employment enterprise has been in operation for at least one (1) year the countable income would be the gross income minus any allowable deductions for the last calendar year.
2. If the self-employment enterprise has been in operation less than one (1) year the total gross income and deductions for the period of self-employment would be totaled and divided by the number of months the enterprise has been in operation. The countable monthly income would be the average gross income minus the average deductions.

Question 3: How would you verify the hours of employment?

Response 3: According to MS 6.9 Verifying Self Employment Income, acceptable forms of verification for self-employment include, but are not limited to statements from an outside accountant, ledger books, records, receipts maintained by the applicant, information from the most recent IRS tax forms, or client statement may be used **only** as a last alternative. For instances where applicant's statement is used the worker should enter a case change date for three (3) months from the date of eligibility and instruct the applicant to keep records. Verification would be requested thirty (30) days prior to the end of the three (3) month period. **This policy would be applied for verifying hours as well as income.**

If you have additional questions, please contact Justin Mullins at (502) 564-2524.



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Janie Miller
Secretary

PC-01-09-05

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: January 26, 2009

SUBJECT: Policy Clarification – Enrollment Fees – Manual Section – 9.16 Enrollment Fees

Situation: Payment for enrollment fees are being requested on forms that are not current.

Question: Can an outdated form be utilized for enrollment fee requests?

Response: Service agents collect enrollment fee information from licensed and certified providers via the DCC-94B Licensed and Certified Provider Information Form. The DCC-94B must have the amount of the enrollment fee listed. It must be current and complete in order for the fee payment to be authorized. The DCC-94B Licensed and Certified Provider Information Form (all three pages of the form) and DCC-94 Child Care Service Agree and Certificate (first page only) may be faxed or mailed to DCC and will be returned to the service agent if incomplete or not current.

Manual Section, 9.16 Enrollment Fees, and Manual Section, 9.17 Steps for Processing Payment of Enrollment Fees, will be revised to include all the required information.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

SNC/tkw



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Janie Miller
Secretary

PC-01-09-04

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: January 23, 2009

SUBJECT: **Policy Clarification –Internships / Practicums / Work Studies– Manual Section 5.9 – Work Requirements for Low Income Working Families**

Situation: We have applicants who attend cosmetology school. In the past, we counted his/her time on the floor as a practicum, internship or clinical. When a DCC-90L, Student Work Verification form was sent to the school personnel, the school personnel wrote N/A instead of checking any of the types of activities listed (student teaching, practicum, clinical, internship, and work study).

Question: Is this a legitimate activity that can be counted in lieu of the 20 hour work requirement? If so, how would the case file be handled in terms of verification of activity?

Response: If the applicant cannot provide documentation from the cosmetology school that the student is working the required number of hours to receive assistance for child care eligibility, the applicant is not eligible. Documentation must support eligible activities.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

SNC/tkw



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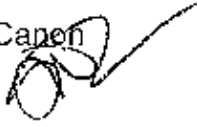
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Janie Miller
Secretary

PC-01-09-02

<http://chfsnet.ky.gov/cfs/dcbcs/dcc/>

TO: CCAP Service Agents

FROM: Sandra Noble Capen
Director 

DATE: January 14, 2009

SUBJECT: Policy Clarification – Family Size, College Student; MS 6.2 Defining the Family Size for Determining Income Eligibility

Situation: A client with two small children and an 18 year old college student has applied for benefits. The 18-year old college student lives in the home.

Question: Is the 18-year old college student included in the family size? At what age would the college student be excluded from the family size?

Clarification: Yes, the 18-year old college student is included in the family size. Students who are currently attending college and reside in his/her parent's home are included in the family size until he/she reaches the age of 22.

A child residing in the home of a parent and not attending college is included in the family size until the age of 18, or if the child is still attending high school, he/she is included in the family size up to the age of 19.

An example of a college student living situation will be added to MS 6.2.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.



**CABINET FOR HEALTH AND FAMILY SERVICES
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Janie Miller
Secretary

PC-01-09-01

TO: CCAP Service Agents

FROM: Sandra Noble Cannon
Director

DATE: January 8, 2009

SUBJECT: Policy Clarification – Paying Child Support for Child in Case Section 6.12

Situation: We have a client that pays court ordered child support for a child that is in her home several days of the week. The client works and has applied for child care assistance for this child through CCAP.

Question: Can we give the client a deduction for child support she pays and assist the client with child care with CCAP funds for the same child?

Response: The Child Support being paid is legally obligated and the child resides outside of the client's home part of the week. If the client provides verification of the court order and verification of payments being made, the client is allowed the deduction for the Child Support she pays when considering countable income. If the client meets financial and technical eligibility factors then CCAP can pay for child care for the child in question on days that the child resides in the client's home.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

SNC/cwd



CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR COMMUNITY BASED SERVICES

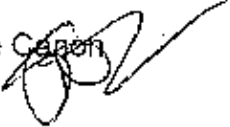
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Janie Miller
Secretary

PC-12-08-14

TO: CCAP Service Agents

FROM: Sandra Noble 
Director

DATE: December 23, 2008

SUBJECT: Policy Clarification – K-TAP DCC-85A Child Care M.S. 3.3

Please find the policy clarification regarding the above subject. The situation and question have been summarized.

Situation: The mother of children ages one and three was receiving child care assistance as a CCIE client. The mother is now in a rehab treatment center for three months. Retired and not working great great grandparents, age 72 and 68, are caring for the children until the mother completes the program. The children are eligible to receive K-TAP due to parent's absence.

Question: Do the grandparents have to be working or participating in the Kentucky Works Program in order to receive child care assistance through the DCC-85A process?

Response: Any K-TAP/KWP adult(s) wishing to receive childcare assistance through the DCC-85A process must be included in the K-TAP case and actively participating in work or other approved activity. If the adult(s) are not included on the K-TAP case or are not meeting KWP requirement, they are ineligible to receive child care assistance through the DCC-85A process.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

SNC/cd



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Janie Miller
Secretary

PC-12-08-11

<http://chfsnet.kv.gov/cfs/dchs/dcc/>

TO: CCAP Service Agents
FROM: Sandra Noble Canon
Director
DATE: December 22, 2008 
SUBJECT: Policy Clarification – Electronic Signatures

Question: Can a faxed DCC-94 Child Care Service Agreement and Certificate be accepted for case record?

Clarification: Yes, a faxed DCC-94 Child Care Service Agreement and Certificate can be accepted for case record.

(According to KRS 3.69.107(1) and (4) - Legal recognition of electronic records, electronic signature, and electronic contractions)

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

SNC/tkw



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Janie Miller
Secretary

PC-12-08-15

TO: CCAP Service Agents

FROM: Sandra Noble Canon, Director
Division of Child Care

DATE: December 19, 2008

SUBJECT: Policy Clarification – Return of the DCC-94 – M.S. 9.3

There has been some confusion regarding the return and signing of the DCC 94, Child Care Service Agreement and Certificate. The below is being issued for clarification.

Question: When is the DCC 94 required to be signed and returned?

Response: Initial enrollment of the child with the provider:

- If the case is a CCIE case, both the provider and the client must sign and return the DCC 94 before payment is authorized.
- If the case is approved via DCC 85 or DCC 85A, only the provider must sign and return the form before payment is made.

Subsequent changes made and redeterminations completed with this enrollment will not require a signed certificate to be returned if there is no break in relationship.

KICCS user continues with the current system functionality for initial enrollment, creates and sends a certificate, and only enters a received date upon receipt of the certificate.

For subsequent case changes that affect active enrollment that create a new certificate such as co-pay changes, redeterminations or schedule changes, the worker sends DCC 105A, Notice of Client Eligibility, or DCC 105, Notice of Adverse Action whichever is applicable, to the client advising of the change. Form DCC 94 is sent to the provider advising the provider of the change, but is not required to be returned by the provider.

If you have any questions please contact Linda Lingle at 502-564-2524.

DCC:SNC:LLL



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Janie Miller
Secretary

PC-12-08-13

TO: CCAP Service Agents

FROM: Sandra Noble Capon
Director 

DATE: December 10, 2008

SUBJECT: Policy Clarification – Break in Work Hours & School, M.S. 5.10

Please find the policy clarification regarding the above subject. The situation and question have been summarized.

Situation: We have multiple cases where college and work study are ending for a semester break. According to the manual, breaks in employment for four (4) weeks or less can be paid. These parents only work/attend classes for two (2) or three (3) days a week.

Question: During the semester break, does CCAP pay for the days clients are scheduled to work, and not the days scheduled for class? During the semester break, does CCAP pay for the full week, or nothing at all?

Response: Payment should be made in accordance with the client's work schedule. Payment should accommodate the days each week the client works or attends school.

Manual Section 5.10, Break in Work Hours - "Technical eligibility continues for the following exceptions if the client is reasonably expected to return to work an average of twenty (20) hours or more within the specified time frame." This situation is covered under bullet 3 – Loss of employment, due to no fault of the client, and subsequent job search to secure new employment for a period not to exceed four (4) weeks.

The worker should also write case comments on the specifics of this situation.

If you have additional questions, please contact Phillip Smith at (502) 564-2524.

SNC/ps



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Janie Miller
Secretary

PC-12-08-12

TO: CCAP Service Agents

FROM: Sandra Noble, Esq.
Director

DATE: December 10, 2008

SUBJECT: Policy Clarification – State Recoupment of Overpayment

Situation: A provider billed on the PBF incorrectly and received an overpayment.

Question: In instances where the provider receives an overpayment and is aware of the overpayment, can the money be recouped in KICCS rather than completing a DCC-98 Repayment Agreement?

Clarification: Regulation 2:160 Section 15 Erroneous Payments states if an overpayment has occurred, the Cabinet or designee shall determine the amount of the overpayment and establish a claim to recover the amount overpaid. Per this section, the provider must complete the claim process.

Completion of the DCC-98 Repayment Agreement is a required document in relation to the claim per CCAP Operations Manual, Chapter 15 Improper Payments. The DCC-98 Repayment Agreement has no mention of fraud.

In the CCAP Operations Manual, Section 15.5 Categories of Claims, claims are described as Fraud, Non-fraud, or Agency error. The establishment of a claim does not define it as a fraudulent activity.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.

SNC/lmm



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Janie Miller
Secretary

PC-12-08-10

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: December 8, 2008

SUBJECT: Policy Clarification – Registered Providers and CCP Cases

Question: Can a registered provider care for CCP children in the parent's home?

Clarification: Yes, a registered provider can watch CCP children in the parent's home as long as the P & P worker has not designated on the DCC-85 Approval for Child Care Assistance form that the client use a licensed or certified provider.

The registered provider must apply for registration, provide all requested information and meet all regulatory requirements.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

SNC/tkw



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Janie Miller
Secretary

PC-11-08 -08

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director

DATE: December 5, 2008

SUBJECT: Policy Clarification – Payment request for more than 90 days in the past.

This clarification supersedes the clarification dated for November 26, 2008 and emailed December 1, 2008.

Situation: In April 2008 a child was incorrectly enrolled with Little Lambs Child Care Center and payments have been made to that provider. It was recently brought to our attention that the child should have been enrolled with Little Lambs Academy and that they should have received the payments. A repayment agreement has been established with Little Lambs Child Care Center to collect the erroneous payments as the child has never attended.

Question: Should payments be made to Little Lambs Academy back to April since the mistake was due to worker error or does the policy regarding no payments or adjustments past ninety (90) days apply?

Clarification: Manual Section 9.4 EAV (Provider Billing) Exception Codes states, "Service agent staff shall not make payments or accept adjustment requests ninety (90) or more days after the service month." The provider should have been reviewing the Remittance Statement and noticed within ninety (90) days that payments were not being made for the child.

Please enroll the child with the correct provider, Little Lambs Academy, with the enrollment start date as ninety (90) days prior to the date the error was identified. Payments can be authorized for that timeframe.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.

SNC/lmm



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Janie Miller
Secretary

PC-11-08-09

TO: CCAP Service Agents

FROM: Sandra Noble Capen
Director 

DATE: December 4, 2008

SUBJECT: Policy Clarification – Employment Verification

Please find the policy clarification regarding the above subject. The situation and question have been summarized.

Situation: We have a client who is an illegal alien, and has a child born in U.S. The client reports that she is employed, making \$300 per week. The employer refuses to sign a statement attesting to the pay as they are afraid they will get in trouble due to the client being an illegal alien.

Question: What should the CCAP eligibility worker use as proof of employment and hours worked?

Response: Worker should use the DCC-90G Irregular Work Form as verification of income and hours worked. This form must be signed and dated by the client at initial application and case changes. Worker should also comment on the situation.

The client should not be penalized for an employer's refusal to sign the form as long as some other acceptable verification of income is provided by the applicant.

If you have additional questions, please contact Phillip Smith at (502) 564-2524.

SNC/ps



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Janie Miller
Secretary

PC-11-08 -08

TO: CCAP Service Agents

FROM: Sandra Noble Canon *for SAI*
Director

DATE: November 26, 2008

SUBJECT: Policy Clarification – Payment request for more than 90 days in the past

Situation: In April 2008 a child was incorrectly enrolled with Little Lambs Child Care Center and payments have been made to that provider. It was recently brought to our attention that the child should have been enrolled with Little Lambs Academy and that they should have received the payments. A payment agreement has been established with Little Lambs Child Care Center to collect the erroneous payments as the child has never attended.

Question: Should payments be made to Little Lambs Academy back to April since the mistake was due to worker error or does the policy regarding no payments or adjustments past ninety (90) days apply?

Clarification: Manual Section 9.4 EAV (Provider Billing) Exception Codes states, "Service agent staff shall not make payments or accept adjustment requests ninety (90) or more days after the service month." The provider should have been reviewing the Remittance Statement and noticed within ninety (90) days that payments were not being made for the child.

Please enroll the child with the correct provider, Little Lambs Academy, with the enrollment start date as the date the error was identified. Payments can be authorized back to the date of the error being identified as long as the request was within the last ninety (90) days.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.

SNC/lmm



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Janie Miller
Secretary

PC-11-08-07

<http://chfsnet.ky.gov/cfs/dccbs/dcc/>

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: November 17, 2008

SUBJECT: Policy Clarification – Paying Deceased Provider

Situation: We have a registered provider in Pulaski County who had been caring for her three grandchildren. During the month of October, she was killed in an auto accident. The family has called and questioned how or if she would get paid for the days she actually cared for the children prior to the accident and if she should get paid how or who signs the billing form?

Question: Can we pay the provider if she is deceased, as the PBF cannot be signed?

Response: CCAP can pay this provider if notarized statements from the parents of each child the provider is requesting payment for are submitted to the Service Agent. The statement should include the child(ren)'s names, the dates the child(ren) attended, and whether part-day or full-day of care requested for each child.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

SNC/cwd



**CABINET FOR HEALTH AND FAMILY SERVICES
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Steven L. Beshear
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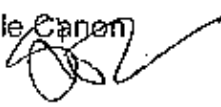
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Janie Miller
Secretary

PC-11-08-08

<http://chfsnet.ky.gov/cfs/dcbs/dcc/>

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: November 17, 2008

SUBJECT: Policy Clarification – Household Composition with Teen Parent

Situation: We have a client 14 years old, who has a baby. The teen parent does NOT have a case, and her baby does not need care. However, the parent of the 14 year old is requesting care for her own other children.

Question 1: Do we count the teen and her baby in the household size?

Response 1: The teen should be counted in the household size of the head of household making application as she is the child of the HOH. The 14 year old is responsible for her child and therefore the grandchild should not be included in the family size.

Question 2: What if the teen parent was 18? Would that make a difference?

Response 2: No, it would not make a difference if the teen parent was 18 as no case is established.

Question 3: Can a 14 year old be legally responsible for a baby while she is still a minor?

Response 3: Yes, for Child Care Assistance purposes since the 14 year old is the parent, she is considered legally responsible for her child.

If you have additional questions, please contact Phillip Smith at (502) 564-2524.

SNC/ps



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Janie Miller
Secretary

PC- 10-02-08

TO: CCAP Service Agents

FROM: Sandra Noble 
Director

DATE: October 31, 2008

SUBJECT: Policy Clarification – Lump Sum Payments

Situation: We have a question regarding "non-recurring lump sums" and their impact on income in the CCAP case. Page 52 of the current Operations Manual states that -

"Income is the money received from statutory benefits, rental property, investments, business operations, child support, non-recurring lump sums, etc., or for labor or services performed by the head of household and responsible adult. Income may be earned or unearned."

One-time lump sum payments have always been excluded from income for CCAP which could be assumed from 6.11 2nd bullet, "lottery winnings paid annually" which is named as a source of unearned income. In looking at the previous regulation and Operations Manual, we found the following:

1. Section 4 (7) (c) of the previous issue of 922 KAR 2:160 stated that one-time lump sums are excluded from income.
2. Page 52 of the previous manual stated that lump sums were excluded. This was under "Income that is Not Counted" "2. Lump sum payments (these are usually large payments which are made to cover an extended time period and may include social security benefits, worker's compensation, alimony, back payment of child support, veteran's benefits, HUD, and holiday bonuses from employers.)"

Please advise as to whether this type of income is still to be excluded from the income calculation since it is not representative of the ongoing situation. If so, we should update the manual to clarify by changing the income definition on page 52 to match the one provided on page 17, and add one-time lump sum payments to the list of excluded income in 6.5.

If one-time lump sum payments are to be counted for CCAP, please address whether the following types of lump sum payments would be counted in the CCAP case:

1. Child Support/Alimony Arrearages
2. Earned Income Tax Credit for clients who do not elect to receive payments throughout the Year.



3. Back Payment from Social Security/Veteran's Benefits
4. Holiday Bonuses Given by Employers
5. Lump Sum Worker's Compensation Benefits
6. Settlement Amounts

Clarification: Manual Section 6.1, Overview, defines income and specifies that income may be earned or unearned. Manual Section 6.11, Unearned Income, specifies types of unearned income.

The Operations Manual does not specifically address non-recurring lump sums. In Chapter 6, it does state not to use amounts that are not representative of ongoing situations. One time lump sums are countable income, unless received as back pay and are considered not representative of ongoing situations and should be excluded.

1. Child Support/Alimony Arrearages are excluded as back pay.
2. Earned Income Tax Credit for clients who do not elect to receive payments throughout the year are excluded per MS 6.5 Excluded Income.
3. Back payment from Social Security/Veteran's Benefits are excluded as back pay.
4. Holiday bonuses given by employers are excluded as not representative of ongoing income.
5. Lump sum Worker's Compensation benefits are excluded as back pay.
6. Settlement amounts are excluded if received for back pay.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.



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Janie Miller
Secretary

PC-10-01

TO: CCAP Service Agents

FROM: Sandra Noble 
Director

DATE: October 13, 2008

SUBJECT: Policy Clarification – Excessive Absences

Situation: In Section 7.5, the policy manual states that we can approve more than five (5) absences due to a court order. If two (2) parents have joint custody every other week, can we pay the licensed center 12+ excused absences month after month?

Clarification: CCAP will not pay for the excessive number of absences referred to in this situation. This client should be counseled to look for a provider who provides part-time care. If a licensed provider is not available, the client may need to choose a certified provider or be responsible to pay for the days over the five (5) absences, if the chosen facility mandates payments for these days.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

SNC/tkw



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Janie Miller
Secretary

PC-07-04

TO: CCAP Service Agents

FROM: Sandra Noble Canon 
Director

DATE: August 5, 2008

SUBJECT: Policy Clarification – Eligible Living Situations MS 5.7
Citizenship Requirements MS 5.4
Work Requirements MS 5.9

Below please find a policy clarification on a question. The situation has been summarized.

Situation: We have received an application for a household consisting of a mother, two (2) children and the father of one of the children. The father is working and is an illegal alien with no identification. He is not the father of the other child in the home. How do we process this case?

Clarification: Adults in the home are not required to meet citizenship requirements. With the two (2) adults in the home having a child in common, the income of both adults would count in the case of the two (2) children. The household size is four (4) and the work requirements for a two (2) parent family must be met unless one of the adults is mentally or physically unable to care for the children.

If you have additional questions, please contact Linda Lingle at (502) 564-2524.



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Janie Miller
Secretary

PC-07-02

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: August 5, 2008

SUBJECT: Policy Clarification – Maternity Leave and Family Medical Leave Act (FMLA)

Situation 1: A parent has been told to reduce her hours of work in half so she is only working twelve (12) hours a week, not twenty-four (24) due to pregnancy-related issues. Is she eligible even though she is not working the required twenty (20) hours per week? If she goes to complete bed rest, is that counted under maternity leave's six (6) weeks or FMLA's twelve (12) weeks?

Situation 2: A parent is placed on bed rest for twelve (12) weeks prior to delivery date. Is this covered under twelve (12) week FMLA to pay for child care. Does she receive six (6) weeks maternity leave as well?

Clarification 1: The parent must get documentation from her physician stating that she is unable to work her required number of hours weekly. Covered employers must grant eligible employees up to a total of twelve (12) work weeks of unpaid leave during any twelve-month period for one or more of the following reasons:

- for the birth and care of the newborn child of the employee;
- for placement with the employee of a son or daughter for adoption or foster care;
- to care for an immediate family member (spouse, child, or parent) with a serious health condition; **or**
- to take medical leave when the employee is unable to work because of a serious health condition.

Clarification 2: The parent must get documentation from her physician stating that she is unable to work her required number of hours weekly. The parent would be allowed to use FMLA for the twelve (12) weeks bed rest, and then use her six (6) weeks maternity leave.

If you have additional questions, please contact Shirley Wilson at (502) 564-2524.



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Janie Miller
Secretary

PC-07-03

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: August 4, 2008

SUBJECT: Policy Clarification – Teen Parents, MS 4.6

Situation: The custodian (grandmother) of a child applies for child care with the teen parent (natural or adoptive parent) living in the household. When processing the case, should the worker base the technical eligibility requirements on the natural parent or the custodian of the child?

Clarification: If the natural parent or adoptive parent is in the household, eligibility should be based on the natural or adoptive parent(s). If the parent is a teen, the worker should process the case as a teen parent and exclude the income of grandmother.

Review manual section 4.6 for additional information.

If you have additional questions, please contact Phillip Smith at (502) 564-2524.



**CABINET FOR HEALTH AND FAMILY SERVICES
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Janie Miller
Secretary

PC-07-01

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: July 22, 2008

SUBJECT: Policy Clarification – Unreported changes MS 8.5

Situation: During a case review, the reviewer discovers that Mary is no longer working and her employment ended a month ago. How would the worker process the case in relation to the unreported change?

Clarification: Once the worker is aware of a change, send form DCC-90-F to the client requesting verification. If the information is returned and verified, update the case accordingly. If the information is not returned, send form DCC-105 to discontinue the case.

Review the record to see if a claim is appropriate. If so, apply the 10-10-10 rule when computing the claim.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.




**CABINET FOR HEALTH AND FAMILY SERVICES
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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: July 2, 2008

SUBJECT: Policy Clarification – Best Practice for provider change with pending enrollment

Situation: What is the process within KICCS when a client changes providers a few days after enrolling with provider A? Is the enrollment with provider A ended? If the certificate has not been received, this denies the enrollment and prevents the PBF from being created.

Clarification: The best practice in this situation is to leave the pending enrollment with provider A pending until the signed certificate is received as this will allow payment to be made if returned. Upon receipt of the signed certificate, the worker will enter the actual end date as the Enrollment End Date. Enrollment with provider B will be started on the actual Enrollment Start Date. This will leave provider A and the client responsible to work out any payment discrepancies if a ten (10) day notice was not provided.

Please follow the steps below within KICCS:

1. Leave enrollment with provider A pending as the certificate has not been received.
2. Enter a co-pay override of \$0 for provider A with a start date the same as the Enrollment Start Date with provider B.
 - This will allow KICCS to allocate the co-pay to provider B from the Enrollment Start Date.
3. Since a co-pay override was entered, KICCS indicates a new certificate is needed for provider A.
 - This certificate will need to be created, but does not have to be sent to provider A as the only change is that a \$0 co-pay will be effective for the date the children are no longer attending.
4. Once the signed certificate is received for provider A, or not received, the worker must remember to end the enrollment with provider A.
 - The worker enters a known Case Change Date with a Case Comment to remind them to enter the enrollment end date for provider A.
5. The worker will create the certificate for provider B and the display is correct for the co-pay due to the co-pay override being entered.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.



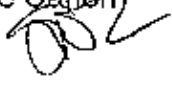
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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Capom
Director 

DATE: July 2, 2008

SUBJECT: Policy Clarification – Co-pay split

Situation: KICCS assigned a family co-pay of \$23, which is more than the full-day rate of \$16 where the children are enrolled. KICCS split the co-pay between the two children as \$11 and \$12. The issue is the child has a full-day schedule Monday through Friday and the other child has a full-day schedule Monday and Tuesday, which means the parent is paying the family co-pay two days per week. Is this correct?

Clarification: The best practice in this situation is to complete a co-pay override and place a \$16 co-pay on the child attending full-day Monday through Friday and place a \$7 co-pay override on the child attending Monday and Tuesday. This will allow the family co-pay to be paid in full on Monday and Tuesday, and since the full-day rate of the provider is \$16, there will be no payment made by CHFS for Wednesday through Friday.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.




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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: June 23, 2008

SUBJECT: Policy Clarification – Maternity Leave (Case due re-determination within forty-five (45) days)

Situation: Client is due redetermination July 31, 2008. She reported beginning maternity leave on April 1, 2008, and the baby was born March 26, 2008. The client reported returning to work May 12, 2008 and verification was received June 9, 2008. A case change cannot be processed as the case is within forty-five (45) days of the redetermination process.

Do we not process any changes until the client comes in for redetermination interview? Do we enroll the baby with a backdated enrollment?

Clarification: Please refer to manual, Section 8.5 Time Frames for Processing Changes, in regards to the timely processing of changes.

Since policy was not adhered to in this instance, the client will need to be brought in for a redetermination interview as soon possible in order to complete the case changes through a redetermination process. The baby should have been added to the case within ten (10) days of the reported change as an "Other Child", as this would increase the family size and potentially impact the family co-pay. The care start date for the baby should be entered as the actual care start date. The DCC-94, Child Care Service Agreement and Certificate that will be issued at the time of redetermination will have the correct ongoing information.

This case will need to be investigated for under and over payments for the time period when the changes were reported, up to the time the changes were completed. Please refer to manual, Sections 15.2 Underpayments and 15.3 Overpayments, for policy on identifying these situations.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.




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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble ~~Canon~~ 
Director

DATE: June 16, 2008

SUBJECT: Policy Clarification – Wages MS 6.7

situation: We have a client that is receiving a living stipend through Americorp and are unsure how to count this stipend in the child care case.

Question: Is the total amount of the living stipend counted or do we just count the amount that is over the minimum wage?

Response: Per manual section 6.7, living allowances (stipends) paid through Americorp are counted as earned income. VISTA payments paid through Americorp that are less than minimum wage are excluded.

If you have additional questions, please contact Linda Lingle at (502) 564-2524.

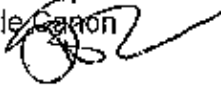


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Janie Miller
Secretary

TO: CCAP Service Agents
FROM: Sandra Noble Canon
Director 
DATE: June 16, 2008
SUBJECT: Policy Clarification – Return of the DCC-94 - M.S. 8.7

Situation: The manual states that form DCC 94 "must" be received within 10 days, but we are unsure of what the procedure is after that, besides sending the 105 to the client. At one point, it was discussed that these would automatically discontinue in KICCS if the "received" date wasn't entered, but that is not the case. The basic questions surrounding this are:

Question 1: Do we terminate the provider manually after the ten (10) days? Or, at what point do we terminate the provider?

Question 2: What if the 94 is returned on day fifteen (15) (or any day between the 10th and 20th day)? Do we pay all fifteen (15) days or just from the return date forward?

Question 3: Should the enrollment be terminated on the 10th day or 20th day if the DCC-94 Child Care Service Agreement and Certificate is not returned?

Response 1: In this situation, the provider would not be terminated. The worker should end the enrollment for the child(ren).

Manual section 9.2, page 76 states "If the DCC-94 Child Care Service Agreement and Certificate is not returned within ten (10) calendar days, service agent staff shall send a DCC-111, Parent Notice of Need to Change Child Care Provider 9 (if using a registered provider) or a DCC-111.1 (if using a certified or licensed provider) notifying the parent to choose another child care provider by a specified date.

Response 2: As long as the DCC-94 is returned within the 20-day period, the worker should begin the payment with the first day of enrollment.

Response 3: If the DCC-94 is not returned, enrollment for the child (and their provider) should be terminated on the 20th day.

If you have additional questions, please contact Phillip Smith at (502) 564-2524.

DCC/SNC/PS




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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Capen
Director 

DATE: June 10, 2008

SUBJECT: Policy Clarification – Relative placement CCAP cases

Situation:

P&P removes a child from mom's care and places the child with an uncle.

In the future, P&P opens a preventive childcare case for the uncle. According to the procedural instructions of form DCC-85, Approval for Child Care Assistance, a relative placement childcare case must have eligibility for CCAP determined by the Service Agent.

1. Does the reference to relative placement mean we cannot give assistance to relatives with whom the above child was placed by P&P if relative is not included in an open CPS case via form DCC-85?
2. If a CPS case is opened later for the uncle because of family problems, can we then give childcare assistance to the child via form DCC-85?

Clarification:

1. Yes, if P&P places a child with a relative, such as Kinship Care, the family must apply for childcare assistance through a face-to-face interview with the Service Agent. P&P can refer the relative to the Service Agent via form DCC-86, Referral for Low Income Child Care Assistance.
2. If the relative retains placement of the child during the time that P&P is trying to stabilize the relative placement, then using form DCC-85 for childcare approval would be appropriate.

Using form DCC-85 for relative placement is only appropriate if the need for childcare is based on a need of the relative placement and not related to the removal reason.

If you have additional questions, please contact Crystal DeSpain 564-2524.

DCC/SNC/CD




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Janie Miller
Secretary

TO: CCAP Service Agents
FROM: Sandra Noble Canon
Director 
DATE: June 3, 2008
SUBJECT: Policy Clarification – Provider Changes-MS 8.7

Situation: A parent called the office on May 19, 2008 to report that the last day she took her child to Child Care A was on May 15, 2008. She stated that she enrolled her child with Child Care B on May 16, 2008.

Question 1: What paperwork do we mail to Child Care A and what term date do we use? DCC-94 says to give (ten) 10 day notice. Is this correct in this situation?

Question 2: What date should be shown on Child Care B's certificate as the start date?

Response 1: DCC-94D is sent to Child Care A advising of termination of payment. The date of termination for that facility is May 15, 2008 and the last day paid to Child Care A is May 15, 2008. We do not pay day care expenses after the child is enrolled with Child Care B. The manual will be changed to reflect this and the procedural instructions for form DCC-94D will also be changed. If Child Care A charges the client for days that the child is attending Child Care B, the charges are pursued from the client by the provider.

Response 2: Child Care B's certificate should have a beginning date of May 16, 2008 as this is the day that the child started attending. Payment of services goes to whoever is actually providing the care for the child.

If you have additional questions, please contact Linda Lingle at (502) 564-2524.



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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Capen
Director

DATE: June 2, 2008

SUBJECT: Policy Clarification – Registered Provider in Child's Home

Situation:

If a Registered Provider is caring for children in the child's home and there is no water available, is this acceptable?

Clarification:

Manual Section 12.4, Eligibility Requirements specifies that Registered Providers in the Child's Home, must certify behavioral practices meet minimum safety requirements by signing the form DCC-96, Application for Registered Child Care Provider in Child's Home. While lack of water may be a health and safety issue, it is one that this Registered Provider has no control over. The Registered Provider and Service Agent staff should be counseled to report the situation to Protection and Permanency.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.




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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: June 2, 2008

SUBJECT: **Policy Clarification** –Questions regarding how to handle a DCBS Approval case involving a request for a DCC-91A. Chapters 3 and 14

Situation:

1. Should the worker complete the enrollment and issue DCC-94 prior to the DCC-91A being signed and returned?
2. Will care be approved and paid for the time frame that includes the thirty (30) day application period and the ten (10) day negative action notice if the DCBS client failed to return the signed DCC-91A?
3. What happens if a DCBS client fails to return the signed DCC-91A?

Clarification:

1. The worker should complete the enrollment and issue the DCC-94 for signature prior to the receipt of the signed DCC-91A as eligibility was actually determined by DCBS staff.
2. Payment will be approved for the thirty (30) days and the ten (10) days negative notice as long as the provider signed and returned the DCC-94.
3. Section 3.2 Completing and Routing of DCBS Approvals states the DCC-91A is sent to the client along with the DCC-90F allowing no more than thirty (30) days from the date of approval for the DCC-91A to be signed and returned. Section 14.3 Parent Responsibilities states the client is advised by the DCBS worker to be expecting the DCC-90F and DCC-91A and it should be signed and returned to the Service Agent. If the DCC-91A is not returned a DCC-105 proposing discontinuance of the case is sent to the client and DCBS worker.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.




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Janie Millier
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble ~~Cannon~~ 
Director

DATE: June 2, 2008

SUBJECT: **Policy Clarification** – Incorrect payments related to change of ownership MS13.4 and 13.5

Situation:

A provider's license was revoked on April 14, 2008 and new owner ship was approved on April 15, 2008. A payment was issued for the whole month of April 2008 under the old (revoked) payee.

1. What is the proper procedure for dealing with the incorrect payment issued to the revoked provider?
2. What is the appropriate method in dealing with change of:
(A) Ownership of licensed providers, or
(B) Locations for certified providers?

Clarification:

1. Establish a claim against the previous provider for any amount issued for days that occurred after the license was revoked.
2. (A) Payments to the new owner should not occur until the new owner obtains a license number and subsequently entered in KICCS. Once the new license number is entered on KICCS, a payment, back dated to the approval date, can be made to the new owner.
(B) Payments can continue for up to ten (10) days after a location change for a certified provider while waiting for verification that the application for the new location is received. If verification is not received within the ten (10) days CCAP payments will be discontinued. Notify the provider of the discontinuance via form DCC-94D and notify the client via form DCC-111.1.

If you have additional questions, please contact Crystal DeSpain 564-2524.

DCC/SNC/DC



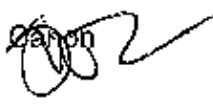
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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble 
Director

DATE: May 28, 2008

SUBJECT: Policy Clarification – Return of the DCC-94 - M.S. 8.7

Situation: What is the procedure for 94s "not received" in the ten (10) day time frame? The manual states they "must" be received back, but several of us have looked and can't find what procedure is after that, besides sending the 105 to the client. At one point, it was discussed that these would automatically discontinue in KICCS if the "received" date wasn't entered, but that is not the case. The basic questions surrounding this are:

Do we terminate the provider manually after the ten (10) days? Or, at what point do we term the provider?

What if the 94 is returned on day fifteen (15)? Do we pay all fifteen (15) days or just from the return date forward?

Clarification: The worker should reference manual section 8.7, Provider Changes that states, a "DCC-94, Child Care Service Agreement and Certificate, is issued to the new provider with a DCC-94C, Provider Notification/Service Agreement Letter, advising the agreement be signed and returned within a ten (10) day time frame. Failure to return the DCC-94 within the time frame results in a DCC-105, Notice of Adverse Action, being sent to the family advising that the provider has not been approved to be paid for child care services".

If the DCC-94 is returned on the 15th day, payment should be retroactive back to the date of enrollment. If the DCC-94 is not returned, the worker should end the enrollment.

If you have additional questions, please contact Phillip Smith at (502) 564-2524.

.C/SNC/PS




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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Cannon
Director 

DATE: May 28, 2008

SUBJECT: Policy Clarification – Terminating Enrollment MS. 8.7

Situation: When we terminate an enrollment, is a new certificate showing an end date sent to the provider, or is the notice, DCC 94-D, Provider Notification of Intent to Terminate Payment, sufficient notice?

Clarification: Send form DCC 94-D, Provider Notification of Intent to Terminate Payment, if enrollment is ending during a certification period. The current certificate contained in the case record advises the provider that "eligibility and need for services shall be determined every twelve months, when changes are reported, or upon termination of an authorization."

If you have additional questions, please contact Linda Lingle at (502) 564-2524.

DCC/SC/LLL




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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: May 28, 2008

SUBJECT: Policy Clarification - DCC-94AB Supplement

Situation: This supplemental form only has PS-1 and PS-2 but not PS-3.

Clarification: Reference manual section 9.13 (Chart Showing Determination of Rates) lists the KICCS Care Level Codes for PS-1, PS-2, and PS-3. The DCC-94AB Supplement will be changed to reflect the correct label for children ages 5-6 as Preschool 3 - "PS-3".

If you have additional questions, please contact Phillip Smith at (502) 564-2524.

DCC/SNC/PS




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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: May 27, 2008

SUBJECT: **Policy Clarification** -Change of Location for Certified Providers – MS 13.5

Situation: What is the policy concerning certified providers who change locations?

Clarification: Certified providers who have a change in location are required to reapply for certification. The provider has ten (10) business days to submit the appropriate information to the agency. If verification is not received within the ten (10) business day time period, then CCAP payments will be discontinued.

Upon receipt of verification of the change of location initiated from DRCC, payments will continue for twenty (20) business days or until a new certificate is issued, whichever comes first. (This can give the provider up to thirty (30) business days to complete the process of a change of location.)

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.




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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble 
Director

DATE: May 27, 2008

SUBJECT: Policy Clarification – Extraordinary Absences MS 7.5

Situation: Parent provided a court order to their licensed provider verifying that the child will be with their other parent, who is not included in the CCAP case, the last week of every month. Does the provider need to send the court order up every month to get payments billed under code 45, or should they adjust the child's scheduled enrollment?

Clarification: As this is a recurring event in the child's schedule, the schedule should be entered as such. A schedule note should be entered detailing the reason for the unusual schedule and the verification supporting the schedule.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.




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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: May 27, 2008

SUBJECT: Policy Clarification -Co-pay issues MS 10.6

Situation: A family with multiple children received approval for services through the Child Care Assistance Program (CCAP) with a co-pay. The entire co-pay was allocated to one child, which made the child ineligible for payments. Is this the correct procedure or should a co-pay override be completed to split the co-pay amount between all eligible children?

Clarification: Co-pays are assigned according to family income and not per child. The Kentucky Integrated Child Care System (KICCS) was programmed to allocate the co-pay to only one child unless the co-pay amount cannot be completely absorbed by one child, which would then roll over to other children.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.



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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: May 27, 2008

SUBJECT: Policy Clarification – Entering a Two (2) Parent HH in KICCS

Situation: Policy states an average can be used for two (2) parent households and one (1) parent must be working at least five (5) hours, but KICCS does not approve these cases.

Clarification: Currently KICCS does not support this policy. In order to receive eligibility in this situation, a work-around must be used. The worker must enter a minimum of twenty (20) hours per week under each adult's employment information and comment accordingly in case comments.

If you have additional questions, please contact LeAnne Mullins at (502) 564-2524.




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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Cannon
Director 

DATE: May 16, 2008

SUBJECT: Policy Clarification -- Wages Manual Section 6.7

Below please find a policy clarification on a question regarding the above subject. The situation has been summarized.

Situation: We were told that we are to complete a two (2) month average of income but are unclear on how we would treat commission income that may have high income one month and no income the next. Is it acceptable to use a yearly average of the income in these situations?

Clarification: Manual Section 6.7 states that the worker is to use the best information available to determine an individual's ongoing income. If two (2) calendar months of income was not used, always document the reason, the method of verification, and how the monthly amount was calculated.

If you have additional questions, please contact Linda Lingle at (502) 564-2524.



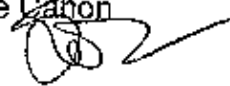
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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: May 16, 2008

SUBJECT: Policy Clarification --Provider Changes Manual Section 8.7

Below please find a policy clarification on a question regarding the above subject. The situation has been summarized.

Situation: Instructions for DCC 94D state that this form is used to notify all providers of the intent to terminate child care assistance payments. Is this form used to notify the provider of the end of the redetermination cycle or is it used only when care is ending with the provider for a reason other than the original redetermination period ending?

Clarification: Manual Section 8.7 states that the worker sends DCC 94D, Provider Notification of Intent to Terminate Payment to the provider if services to the provider will cease due to client actions and manual section 13.5 states that the form is used for notification due to a provider's inaction. A redetermination period ending would not require that the provider be notified as they were notified of the eligibility and ending dates of eligibility of the client via form DCC 94, Child Care Service Agreement and Certificate.

If you have additional questions, please contact Linda Lingle at (502) 564-2524.




**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR COMMUNITY BASED SERVICES**

Steven L. Beshear
Governor

Division of Child Care
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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: May 16, 2008

SUBJECT: Policy Clarification –Technical Requirements Chapter 5
Eligible Living Situations MS 5.7

Below please find a policy clarification on a question. The situation has been summarized.

Situation: A client provided a notarized statement that she was given temporary custody of three (3) children belonging to an acquaintance. The letter also states that the temporary custody was given to the client with the "full understanding that the client is not to seek state assistance for the children". It has been verified by the worker that the reason for this stipulation is that the mother is receiving Social Security benefits for one of the children and is not forwarding the money to the client who has the child. The worker has informed the Protection and Permanency, Food Stamp and Social Security offices of the situation. The client is incurring out of pocket expenses for one of the children that was placed in her custody. Can we assist the client with the child care expenses even though the letter from the mother states that she "is not to seek state assistance"?

Clarification: Yes, the client may apply for child care assistance for any child that resides in her home if she is related to the child or if she is the legal guardian of the child. If the client is not related to the child, she will need to contact Protection and Permanency to pursue legal guardianship in order to receive child care benefits.

If you have additional questions, please contact Linda Lingle at (502) 564-2524.



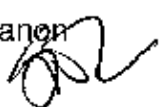
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Janie Miller
Secretary

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: May 8, 2008

SUBJECT: Policy Clarification – Absences

Situation: What length of time can we pay for the absences for a child enrolled with a licensed provider, if the provider has documentation of an illness?

Clarification: CCAP payment is not authorized to a licensed provider for more than five (5) absences per child per month unless the additional absences were due to: 1) death in the extended family of the absent child; 2) illness of the child or parent; 3) court orders; or 4) a disaster, such as a fire, flood, or other similar natural occurrences. The family and licensed provider are responsible to verify in writing the previous exceptions. Verification is maintained with attendance records for a five (5) year period by the licensed provider not to exceed thirty (30) absences per occurrence.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

SNC/kw